

In Papua New Guinea, A Sea of Devastation

Final Toll of 3,000, Mostly Children, Is Feared

By Paul McGeough
Sydney Morning Herald

VANIMO, Papua New Guinea — It looks as if a giant comb has been dragged across the landscape. Felled trees lie neatly in a north-south line with clumps of roofing iron wrapped around those still standing. Steel bridges have been ripped from their concrete piers.

Around Sissano Lagoon, gonged earth has been smoothed like a new concrete slab by the sweeping, swirling water — except for the graves, ugly interruptions that have been made wherever the bodies have been found.

There are now fears that the death toll from the tidal waves that obliterated this necklace of villages in northern Papua New Guinea last Friday evening will reach 3,000 in the two or three months it will take to trawl the beaches, the lagoon and the islands.

On Monday, as the official body count reached 705, the villagers pleaded to be airlifted to safety. After shocks from the massive earthquake that triggered the tsunamis continued to shake the ground.

Prime Minister Bill Skate declared a state of national disaster and said he would travel inland to comfort those who fled to high ground. "Mostly I'm going to share their tears," he said as he moved around what was left of Sissano, one of the worst-hit villages.

The hundreds of graves are numbing, but more grotesque is the number of bodies floating in the lagoon — snap-frozen in terror, many of them still holding the running pose they had when they were struck down.

Others are spread-eagled among the mangroves or hidden in the lumber that was their homes, but has now been reduced to matchstick-muddles, moving nowhere on the tide.

"The most saddening thing is that 70 percent of the survivors have been

adults. Most of the children are dead," said a Catholic priest, the Reverend Anstee Crapp, as Australian medical teams joined an international mission to save the thousands of injured.

Young children were too weak to escape the three tidal waves, the largest of which towered 10 meters, that smashed ashore early Friday evening.

"What chance would a 2-year-old or 3-year-old child have — it wipes out everything, destroys everything, bounces people off trees, off obstacles, bowls them into the lagoon, before it turns, rushing back out to sea," Father Crapp said. "The children may be hiding somewhere, we hope so. But the fear is that they have drowned."

There is little ceremony for the dead, but at the care station established at the other end of the village, each of the injured, who muddle under canvas, clutches a piece of paper with big black lettering: "Death Certificate." There was nothing else on which to write their condition before they were to be transported by helicopter to hospitals at Wewak and Vanimo.

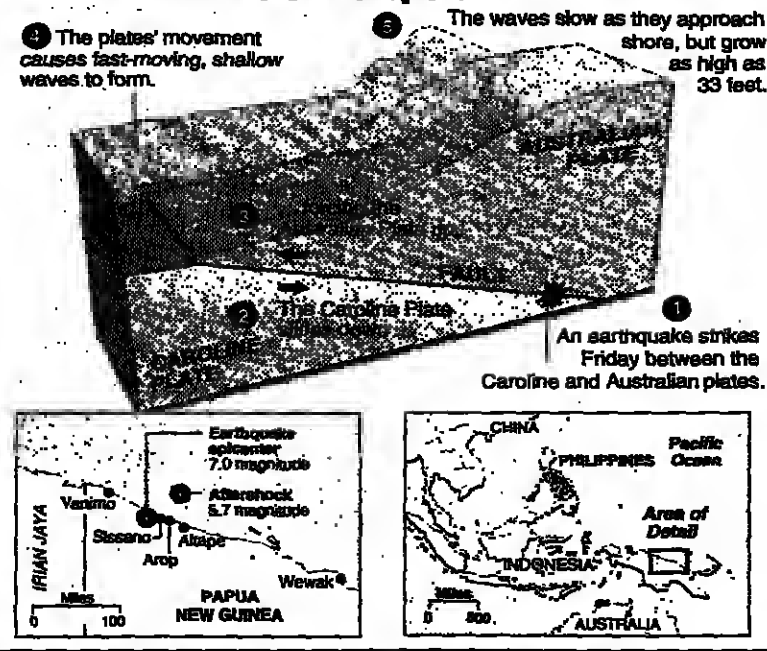
One of the survivors, an old woman named Maria, sat straight-backed and cross-legged as she was bandaged and medicated, all the time clutching a "death certificate" that read: "Bump on head, lacerations to back of right ear, pains in chest and back."

While the villagers wait, they are dazed, shocked. Some hold tightly to their military-issue biscuits and talk quietly among themselves. Others have passed out.

Emergency Aid Arrives

The first of three Royal Australian Air Force C-130 cargo planes arrived at Vanimo on Monday with emergency supplies, including a field hospital and 100 doctors, nurses and engineers. The Associated Press reported, New Zealand was sending relief supplies and a medical team.

How a Disaster Developed



Source: U.S. Geological Survey; University of Delaware; "The Oceanic Atlas"



An injured child being evacuated Monday in northwestern Papua New Guinea, where huge relief efforts for tsunami victims got under way.

Hong Kong in Grip Of Deepening Slump

Jobless Rate Jumps to Highest Level Since '83

By Philip Segal
International Herald Tribune

HONG KONG — Unemployment rose to a 15-year high of 4.5 percent here in April through June, the government said Monday, confirming that Hong Kong was in the grip of a recession that has swept across much of Asia and is unlikely to go away soon.

"The impact of the Asian financial crisis is much more widespread and protracted for the whole region than anyone could have expected," said Donald Tsang, the Hong Kong financial secretary. "Things are likely to get worse before they get better. We have to face up to this unpleasant reality."

The unemployment statistics, showing the fifth monthly increase in a row — from 4.1 percent in the March-May period — add to a depressing array of economic numbers reported in recent months.

The economy is shrinking, down by about 2 percent in the first quarter of the year, compared with a year earlier, according to government estimates. Retail sales have fallen off a cliff, dropping 14.7 percent in April, compared with April 1997.

As he was touring the city's new, problem-plagued airport Monday, the Hong Kong chief executive, Tung

Chee-hwa, said the economy shrank again in the second quarter, which would confirm that the downturn now meets economists' definition of a recession. He did not specify how much it had contracted.

Last week, the government said cargo problems at the two-week-old Hong Kong International Airport could cause the economy to shrink by an extra 0.3 percent this year, though the total cost may well be higher. Mr. Tsang's original price tag for the cargo chaos had been just 0.1 percent of gross domestic product.

As the economy slows, companies continue to lay off workers. The number of unemployed has doubled since early last autumn, to 144,000, in a population of 6 million.

"There isn't any light at the end of the tunnel on unemployment," Enzo von Pfeil, chief economist at Clarion Securities Asia Ltd. told Bloomberg News. "Why should companies hire when there is no sign their earnings are going to improve?"

The last time the jobless rate was higher — 5.2 percent — was in 1983, when Hong Kong was suffering the pains of a political crisis brought on by the announcement that its British rulers

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Indonesia's Debacle Pulls Children Out of Schools

20% of Nation's Pupils Are No Longer in Class

By Michael Richardson
International Herald Tribune

ROKOKY, Indonesia — Like many other Indonesian parents, Mohammed Ilyas and his wife, Nani, face an agonizing choice. They must decide whether to keep two of their sons and a daughter in school or take them out.

After Indonesia's currency, the rupiah, collapsed, millions of Indonesians lost their jobs. Early this year Mr. Ilyas became one of them. He was dismissed after eight years as a casual laborer in Tanjung Priok, the port of Jakarta, 120 kilometers (75 miles) northeast of Rokoky, his village.

With that job went a monthly income that averaged 300,000 rupiah (now about \$23), which was just enough to house, feed, clothe and educate his six children.

Mr. Ilyas was given no severance pay. When he returned home he found that job prospects in the area were even bleaker than in the capital.

"I'm doing odd jobs as a driver, laborer or whatever else I can get here," he said. "But I'm earning much less than I was in Jakarta, and it's not steady money."

Mr. Ilyas's wife has a small shop in the village. She sells food and hardware. "The income from that helps a bit," he said.

To keep his children in the Banjar Dua government school this year, he will need the equivalent of at least two months' income at his former pay level.

"Right now, we've registered our three children in this school. But if we

don't get financial help from somewhere, we will have to remove them because we can't afford to pay the fees and we need the kids to help supplement our income."

Indonesia is the fourth most populous country in the world. It has a work force of about 90 million people. At least 20 million of them are expected to lose their jobs in the next 12 months.

In the same 12 months the government expects the number of people living below the official poverty line to increase to nearly 96 million, almost half of the population.

Many parents have already been forced to take their children out of school. The education and culture minister, Juwono Sudarsono, estimates that

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Europe Shunning Genetically Engineered Crops

Reluctance Threatens Other Industries

By Michael Specter
New York Times Service

DALLIKON, Switzerland — Like his father and grandfather before him, Kaspar Gunthardt is a man of the soil. He lives in the solid old farmhouse where he was born, and he has worked the rich earth around it for most of his 52 years.

He is a traditionalist who has nevertheless embraced the future, equipping his farm with modern technology, even displaying his cattle on the Internet. But when it comes to playing with the rules of nature, he draws the line, and neither he nor Switzerland is alone.

From one end of Europe to the other, consumers are in open revolt over the prospect of a future in which nature has somehow been altered by people holding test tubes.

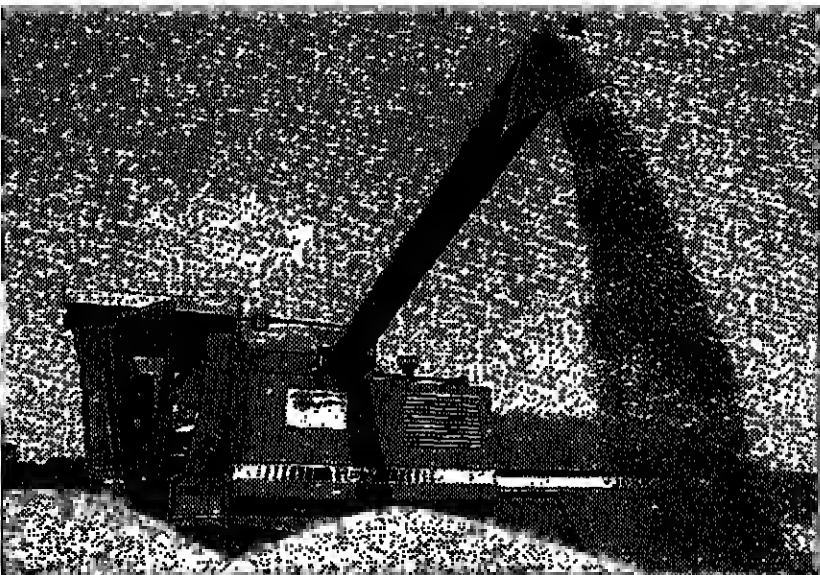
Throughout the world last year more than 12.1 million hectares (361 million acres) of commercial farmland were planted with genetically modified seeds — 10 times as much as the year before. But none of that land was in the 15 countries of the European Union.

Mr. Gunthardt owns a sophisticated cooling system for storing dairy products. He recycles waste to fuel his farm, and cameras strapped to beams in his barn are connected to the Internet, putting the personal habits of his cattle on electronic display around the world (<http://naturaplan.coop.ch>).

But when it comes to genetic engineering, Mr. Gunthardt draws a line that he says he will never cross.

"There is some sickness spreading across Europe right now," he said, striding quickly through an 8-hectare

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Organic grain being harvested in Italy. Europeans reject engineered crops.

AGENDA

Nigeria Elections Promised for Early 1999

ABUJA, Nigeria (Combined Dispatches) — The military government of Nigeria will hand over power to an elected civilian president on May 29, 1999, the country's military ruler said Monday.

"After all necessary consultations, government has decided that the election of a civilian president will be held in the first quarter of 1999," said General Abdulsalam Abubakar in a speech broadcast to the nation. "The new elected president will be sworn into office on the 29th of May, 1999."

General Abubakar's announcement of a date for the military to transfer power to civilians put an end to six weeks of speculation, following

the death of his predecessor, General Sani Abacha. The military leader had already released dozens of detainees. The most prominent detainee, Mo-shood Abiola, died in prison of apparent heart disease this month. His death sparked several days of rioting.

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KABUL EXODUS — Workers at a foreign aid agency leaving Kabul on Monday. The Taliban has shut the offices of 35 agencies. Page 4.

Dead Men Tell Grisly Tales

Atrocities in Guatemala's Civil War Are Bared

By Molly Moore
Washington Post Service

BELEN, Guatemala — Skull by cracked skull, rib by splintered rib, the bones of Guatemala's dead are exposing a past the living long feared to bare.

In a dusty pit behind a former military post in this southern Guatemalan farm settlement, the dirt-encrusted remains of a man who disappeared two decades ago recently revealed his story for the first time to a team of forensic anthropologists excavating history with shovels and brushes.

Hands brushed behind his back, the man was shot and stuffed into a hole with three other victims, one atop the other. Assaults then sprayed the bodies with the 5.56mm bullets used in the M-16 rifles that are standard issue for the Guatemalan Army.

"Let the evidence — let the bones — talk," said Fredy Peccerelli, 27, of the Guatemalan Forensic Anthropology

Foundation, which is chronicling 36 years of atrocities during the civil war, using the crushed skulls, bullet fragments and machete-severed spinal columns that were exhumed from dozens of clandestine graves across Guatemala. "We're only translating what the bones are saying," he said.

The tales that the bones tell are rewriting modern Guatemalan history and propelling the nation into its first public discussion of an era that was of such savage persecution and terror — largely at the hands of government forces — that an entire generation of Guatemalans considered the events to be almost unspeakable, even within their own families.

At dozens of massacre sites, and in thousands of interviews with war survivors willing for the first time to describe the murders and disappearances they witnessed, Guatemala is confronting its brutal past.

Many Guatemalans are looking at the painful public airing as the first step toward healing the wounds that were inflicted by a war in which human rights organizations estimate 100,000 people were killed and 40,000 more disappeared.

Most of those killed were noncombatants.

"The book of Guatemalan history has blank pages," said Edmond Mulet, an opposition politician who served as Guatemala's ambassador to the United States during the final years of the civil war, which ended with the signing of peace agreements some 19 months ago.

"It's important to fill the pages, to

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Bold Leaders Elude Japan

System Produces Colorless, Weak Prime Ministers

By Nicholas D. Kristof
New York Times Service

TOKYO — As Washington yearns for a forceful new prime minister to emerge in Japan and take charge of the economy, history suggests that is not very likely.

Over the decades and centuries, Japan has had good rulers and bad rulers, but only rarely has it had a strong leader. The last leader who really reshaped Japan was arguably Ieyasu Tokugawa, who lived four centuries ago.

Even many Japanese speak wistfully of the need for a bold leader who could force through measures to revive the economy, end fears of a Japanese recession setting off a global downturn and restore the nation's self-confidence.

But most also say that is simply not how this country works.

This week the elders of the Liberal Democratic Party will be hargaining furiously among themselves to choose a new prime minister to replace Ryutaro Hashimoto, who resigned July 20 after the party's disastrous performance in parliamentary elections.

But whoever is chosen seems likely to be another in the line of colorless prime ministers who have presided in recent years and left little impression on their country or the world. Other societies around Japan — China, South Korea, Taiwan, Indonesia, the Philippines — have frequently produced vig-

orous rulers rugging their people this way or that, but not Japan.

"Japan remains a consensus society," said Yoshio Hatano, a former representative to the United Nations. "We may have had strong leaders in the past in some cases — I can think of a couple — but they were not very successful. The consensus makers were rather more successful as prime ministers."

Early in his career, Mr. Hatano was an assistant to the strongest postwar prime minister of Japan, Shigeru Yoshida, who governed during most of the period from 1946 to 1954.

But Mr. Hatano and others say that Mr. Yoshida was an exceptional figure whose authority was possible only in the special circumstances after World War II.

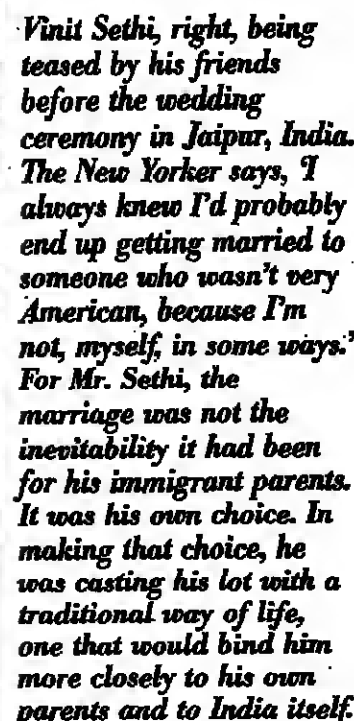
These days, Mr. Hatano says, a strong leader like Mr. Yoshida would never rise to prime minister or last long if he did. Forceful politicians in Japan often irritate voters as well as bureaucrats and their colleagues, the argument goes, so that in the end they are unlikely to rise to the top and unlikely to accomplish much if they do.

U.S. officials have been extremely frustrated with Mr. Hashimoto and his cabinet for failing to act decisively while Japan tumbled into a slump that is creating havoc around Asia. But Mr. Hashimoto and his cabinet were simply

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Wedding Values of East and West

Shashi Sethi is a guardian of family traditions, a woman who has given her life to her husband and two sons. When the older son, Vinit, was 23, Mrs. Sethi's machmaking instincts kicked in and she told him it was time to stop "goofing around" and marry. If he wanted to pick his own wife in the American way, she told him, that was fine — as



"I was a little spooked by the whole situation," he acknowledged. But he told himself he could always refuse the match.

The newlyweds plan to have children in a few years, and have already decided they will speak Hindi to them. Like his parents before them, Mr. Sethi and Miss Jain will fly often to India to see her family and his, propelling their children into the back-and-forth life that knits India and America together.

About 800 kilometers (500 miles) from here, and a world away, in the newly constructed capital, Abuja, signs abound of where some of the oil wealth that might have lifted Makoko from its

Nigeria is a treacherously divided nation. Gulfs between a wealthy minority and poor masses are, of course, nothing exceptional in the developing world. But in this country where almost one in

ability, of checks and balances, and of a fair chance for everyone from every region, is beginning," said Ote Enaibe, an oil engineer.

The very notion of a fair chance

After the Biafra War, in which 1 million people died when the Ibo sought to secede in 1967, his people no longer want to fight, he said. Nor, he added, do

Meanwhile, Makoko's churches offer for what solace they can.

"People are seeking God to see what he can do for them to survive," said

MADRID (Reuters)—Airport workers in Spain started a go-slow effort Monday to press the national airport authority back to the negotiating table.

Correction

The name of the federal judge who ruled that the Environmental Protection Agency wrongly declared secondhand smoke a dangerous carcinogen was incorrect in Monday's editions. It was U.S. District Judge William Osteen S.

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ASIA/PACIFIC

U.S. and India Seek to Settle Dispute Over Nuclear Tests

The Associated Press

NEW DELHI — Top U.S. and Indian officials held what were described as "constructive" talks Monday about New Delhi's nuclear policy, but much remains to be done to mend strained relations.

"We have established a very wide canvas on which we are seeking to paint, but we have a long way to go," Deputy Secretary of State Strobe Talbott said after more than five hours of talks with an Indian foreign policy adviser, Jaswant Singh.

Mr. Talbott said they would meet again in Washington at the end of August.

Mr. Singh also called the talks "constructive," but he said few details could be discussed at this time.

When Mr. Talbott and Mr. Singh met earlier this month in Frankfurt, the location of that meeting was not disclosed in advance, allowing them to avoid reporters.

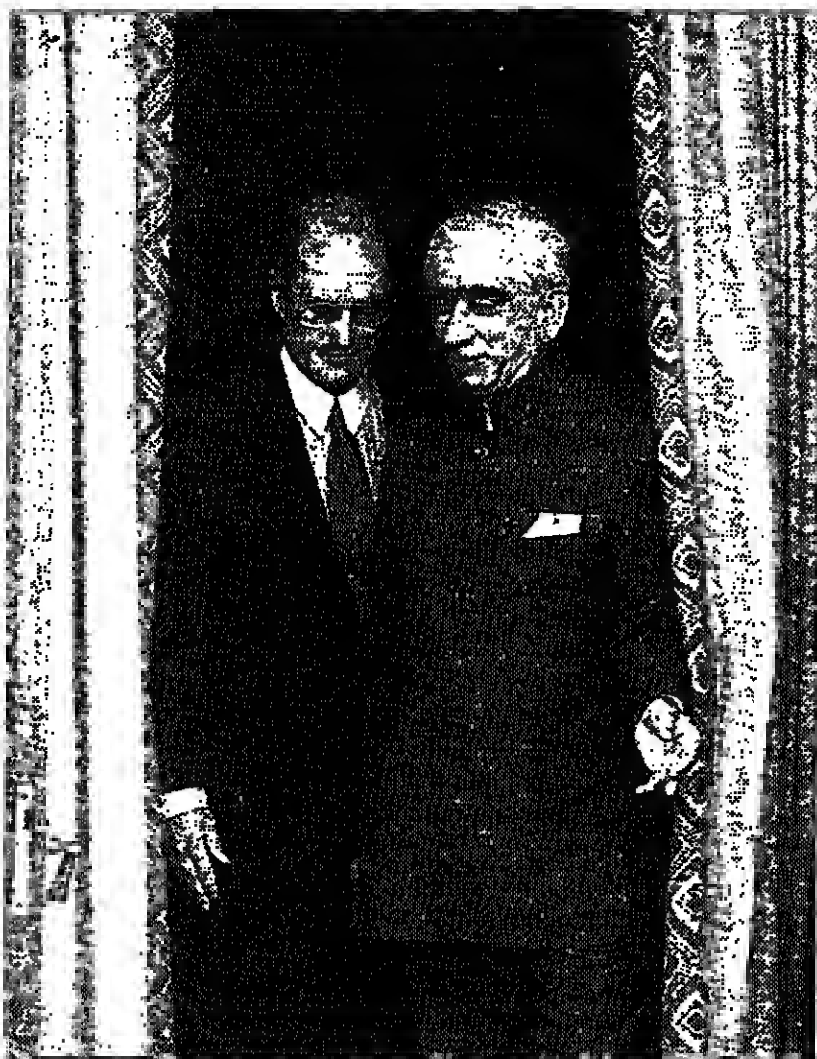
But on Monday, they posed for photographers before beginning their discussions in New Delhi.

The two negotiators first met in Washington in June, soon after India and neighboring Pakistan detonated a series of underground nuclear explosions.

Mr. Talbott, who was also to meet with the Indian prime minister, home minister and opposition leaders, said he was engaged in "the very important business of restoring U.S.-India relations."

The vice chairman of the U.S. Joint Chiefs of Staff, General Joseph Ralston, held separate discussions with Indian defense officials.

The Talbott delegation will go to Pakistan on Tuesday for talks with the prime minister and foreign minister there, with a similar objective.



Deputy Secretary of State Strobe Talbott, left, meeting Monday with Jaswant Singh, a top adviser to Prime Minister Atal Bihari Vajpayee.

Taliban Shuts 35 Aid Offices

Compiled by Our Staff From Dispatches

KABUL — The Taliban closed the offices of more than 35 private foreign aid agencies here Monday over their refusal to relocate to a derelict college building, witnesses said.

The majority of the 100 or so foreign aid workers of the nongovernmental or-

ganizations left the capital Sunday, and most of the remaining foreign staff started leaving after the militia closed the offices. The relocation order did not apply to offices of the United Nations and the International Committee of the Red Cross.

Witnesses said that Nabil Majrouh, an official in the Taliban government's intelligence network, had ordered the local and foreign staff of the Agency Coordinating Body for Afghanistan's Relief to leave their office building.

Mr. Majrouh told aid workers the offices of all agencies that failed to move to the new location would be sealed and that the agencies would have to leave Afghanistan. He was accompanied by five armed Taliban soldiers and a Foreign Ministry representative.

Four French aid agencies left Kabul on Monday, including Doctors of the World and Action Against Hunger, while others were being sealed, and expulsion orders issued. The European Commission's office was also closed.

Two Afghans working for UN aid agencies were killed after being kidnapped in the eastern Afghan city of Jalalabad, the UN High Commissioner for Refugees said Monday. Mohammed Nazir Habibi, 49, worked for the refugee agency, and Mohammed Hashim Bahsaryar, 55, worked for the World Food Program. They were abducted July 13.

In opposition-held areas, aid agencies halted most of their operations more than a year ago after a string of security threats and the looting of their premises and stores in the opposition stronghold of Mazar-i-Sharif.

The Taliban controls two-thirds of Afghanistan but has failed to dislodge an opposition alliance from the north despite months of sporadic fighting. The UN, which acts as an umbrella organization, has frequently clashed with the Taliban, especially over the rights of women, who are not allowed to work or study. (Reuters, AFP)

From Finance Ministry to Cell No. 3

Vague Charges Accuse Korean Official of Letting Economy Fall

By Don Kirk
International Herald Tribune

EUWANG, South Korea — Suffering from high blood pressure and losing sight in one eye, Kang Kyong Shik has no desire to read the fine print of newspaper articles about South Korea's financial crisis.

"Economic problems give me a headache," said Mr. Kang, who was deputy prime minister and finance minister of South Korea for eight months last year before resigning as his country teetered on the brink of bankruptcy. "Most of the time, I look forward to meeting my family and looking at books."

Mr. Kang, 62, spoke from behind the wire mesh and glass of a prisoner's interview room in Seoul's Detention House, about 20 miles (30 kilometers) from the center of the capital but only a mile or so from the Finance Ministry, where he has twice served as minister. Beside him was a prison official, scribbling notes as Mr. Kang — garbed in prison blue, "prisoner No. 1199, floor 2, cell 3," sewn on his shirt — talked in English about his arrest and pending trial on charges of negligence of duty and abuse of power.

What bothers him most, Mr. Kang said, was the implication of his arrest and that of another former senior official, Kim In Ho, held on the same charges in the same prison, for others now in charge of economic policy.

"If I am treated this way, our economic management cannot function properly," Mr. Kang said. Those responsible for navigating the country through economic turmoil, he suggested, may fear that someday they, too, will be held in the same prison, awaiting trial on the same vague charges.

The indictments against Mr. Kang and Mr. Kim accuse them of having failed to report clearly last year on the country's slide to economic disaster. Mr. Kang is also charged with usurping control over the exchange rate from the central bank, while Mr. Kim is charged with pressing the bank to lend funds to a chaebol, or conglomerate, that went bankrupt.

His indictment adds that Mr. Kang hindered negotiations on the eventual bailout South Korea received from the International Monetary Fund. It says Mr. Kang failed to tell his successor, Lim Chang Yul, what had been negotiated before resigning as finance minister after the National Assembly did not pass a series of reform measures in November. Mr. Kang says he was forced to resign so quickly that he never had a chance to brief Mr. Lim, who signed an agreement for a loan package of nearly \$60 billion on Dec. 3.

Mr. Kang and Mr. Kim, who have been held without bail since May 18, go on trial Friday. The Seoul District Court has until November to render a verdict. Unless the court grants their applications for bail, they will remain in separate cells barely big enough for them to lie down in, with no running water and toilets in the floor for toilets. The highlight of every day is a single 10-minute meeting with a visitor.

Mr. Kang maintains that he and Mr. Kim, chief economic secretary to Kim Young Sam, whose five-year term as president ended in February, have been singled out for blame for a crisis they did not create and did their best to solve.

"Some people think that I'm a scapegoat," said Mr. Kang, asked whether he would agree with the use of that word. "I am trying to figure out why I'm here."

Many others are asking that same question. Unlike hundreds of political, military and business leaders who were jailed on corruption charges under Kim Young Sam, Mr. Kang has never been accused of accepting bribes from business leaders. He has not, as far as anyone knows,

hidden any ill-gotten wealth, and he is not charged with conflict of interest.

"In no advanced country or developing country that I know of can we find such a case," said Lee Han Dong, a former prosecutor and judge who is acting president of the opposition Grand National Party. "I only hope the ruling of the court will be fair and it will be a ruling that we as a nation will not be ashamed of."

But President Kim Dae Jung is believed to see Mr. Kang as a foe because he served as finance minister under Chun Doo Hwan, the former general who was president from 1980 until 1988 and ordered Kim Dae Jung to stand trial for treason for instigating the pro-democracy uprising in Kwangju in May 1980. Mr. Chun and his successor, Roh Tae Woo, also a former general, were jailed for their roles in the massacre that ended the Kwangju revolt and for corruption.

Mr. Kang, who retains his National Assembly seat as an independent but was once a member of the predecessor of the Grand National Party, the New Korea Party, when it was the governing party of Kim Young Sam, does not blame the current president for his plight. Nonetheless, Mr. Kang defends his record.

"Our economic situation was not good, but we never thought we were in a position to ask the IMF for assistance," he said. "The situation changed so rapidly in November. Our government already had lost a lot of confidence in the international market and community. I had in mind to show we were moving into action."

A buzzer sounded and the guard said "time over" for the interview. "They accuse me as a criminal," Mr. Kang said. "We will try our best to make this a nonsense case. Anyhow, I have to survive."

BRIEFLY

Seoul to Withdraw 5 Agents in Russia

SEOUL — South Korea will recall five intelligence agents from its diplomatic missions in Russia in an effort to resolve a dispute over the expulsions of diplomats from each country, government sources here said Monday.

Seoul agreed to a demand from Moscow to reduce to two the number of its intelligence officers working as diplomats in Russia to "balance" the quota in each country, a Foreign Ministry source said.

"The Russians have asked five of our diplomats to leave," a South Korean official said, adding that Seoul had agreed to the demand to ensure the dispute did not widen.

The withdrawal of the officers should mark the end of a dispute over the expulsion by Moscow of an alleged South Korean spy and Seoul's retaliation against a Russian diplomat this month.

House for Suharto Angers Deputies

JAKARTA — Indonesian deputies have questioned the disbursement of 26.6 billion rupiah from state funds for the construction of a house for former President Suharto, reports said Monday.

"Is it really appropriate and fair that amid this situation of crisis, such a large amount of money be spent," the deputy chairman of the ruling Golkar party, Andi Matallata, said of the disbursement of the money for the house, the Berita Buana evening daily reported.

Mr. Matallata said the law did provide for a house for former presidents and vice presidents, but it did not state a limit for the amount that can be spent. The 26.6 billion rupiah (\$1.8 million) was considered too extravagant, he said. Mr. Suharto stepped down on May 21 amid mounting public pressure. (AFP)

Indonesians Return After Volcano Scare

JAKARTA — Thousands of Indonesians began to return home Monday to the slopes of the Merapi volcano a day after it spewed ash, lava and heat clouds causing them to flee.

At least 2,100 people from eight villages had fled the west and southwest slopes of the 2,911-meter (9,550-foot) high volcano in Central Java, an official in the Magelang district said.

Aries Priyatno of the Magelang authorities said that the villagers had insisted on returning home after the Merapi appeared to have calmed down. Mr. Priyatno did not know whether the activity of the volcano had abated. He said a new evacuation would be ordered should the mountain rumble again. (AFP)

An Ailing Hun Sen Pledges Fair Poll

PHNOM PENH — Prime Minister Hun Sen emerged from his hospital sickbed Monday to dispel rumors of his death and to pledge that weekend elections would be free and fair.

Mr. Hun Sen spoke to about 50 local and foreign journalists in the gardens of the Calmette Hospital where he has been since undergoing surgery to remove his appendix Friday. (AFP)

Hong Kong Leader Assailed on Airport

HONG KONG — Chief Executive Tung Chee-hwa was met by protesters Monday as he made his first visit to Hong Kong's new airport. Airport staff cordoned off Mr. Tung, Chief Secretary Anson Chan and Wong Po-yan, the airport authority chairman, from protesters as they toured the passenger terminals and cargo handling facilities.

The protesters called on him to take responsibility for the problems which have plagued the airport. (AFP)

For the Record

More than 70,000 workers at state-run hospitals and clinics in the Indian capital of New Delhi started an indefinite strike Monday for higher wages and quicker promotion, union leaders said. (AFP)

Lightning killed 14 people in southwestern China when it struck a house where farmers were taking shelter from a storm, the Xinhua press agency said. (Reuters)

For Kyoto, a Bridge Too Far?

French Project Protested in Japan's Ancient Capital

Agence France-Presse

KYOTO, Japan — A bridge project proposed by France to mark close ties with Japan has set off protests in the nation's ancient capital, Kyoto.

"It is totally embarrassing to build a French bridge in the very heart of Japan's most historical spot," said Manpei Kimura, a 74-year-old Kyoto resident who represents a group opposing the plan.

"It's an act of folly, which will never promote friendship between the two countries," Mr. Kimura said. In May, his group submitted a petition to the Kyoto municipal government with 56,000 signatures opposing the plan.

The bridge, to be modeled on the Pont des Arts in Paris, was intended to mark the Year of France in Japan this year and the 40th anniversary of sister-city ties between Kyoto and the French capital.

Kyoto adopted the project in October after France made the proposal during a visit by President Jacques Chirac to Japan the previous year.

Under the plan, the city is to build the pedestrian bridge at a cost of 600 million yen (\$4.28 million) across the Kamogawa River in central Kyoto, between the traditional Pontocho restaurant street and the Shijo entertainment district.

The view over the river there, with its backdrop of Mt. Kitayama, is one of the most famous landscapes of the ancient capital.

But the plan drew immediate opposition from people in the city. "How would they feel if Japan built a Japanese bridge on the Seine?" a woman asked.

Another woman, who owns a restaurant near the construction site, said, "The bridge will only increase the number of anti-French people here."

For their part, the French see the bridge as a joint project with the Japanese. One of the architects involved is French, the other Japanese, and the Japanese will be responsible for building part of the bridge.

In the face of the strong opposition, Kyoto has delayed the construction, which was originally due to start this month. Officials said the city may yet go ahead with the project as early as October.

Hisakaki Nojima, a city official, said the bridge was needed because the area was always crowded.

Kyoto, the birthplace of such Japanese arts as traditional Kabuki theater and the symbolic tea ceremony, was home to the imperial court from 794 to 1868, when the capital was transferred to Tokyo.

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EUROPE

In Face of Fear and Lawlessness, a City in Kosovo Shuts Down

By R. Jeffrey Smith
Washington Post Service

PEC, Yugoslavia — Bajram, an ethnic Albanian who has lived here for 40 years, was standing in a bread line in pitch darkness at 4:30 A.M. a few days ago when a half-dozen Serbian policemen approached in an armored vehicle. After taunting the group, the policemen became enraged at Bajram because his papers stated that he was born near a village where several Serbian policemen had just been shot.

For the next 30 minutes in the back of the armored vehicle, Bajram, 45, said, "They beat me, on one side and then the other," while cruising up and down the streets of Pec, the second-largest city in Kosovo. They used *nunchucks*, two metal nightsticks joined by a short chain, as well as the butts of their rifles and the tips of their boots, before dumping him

onto a deserted street and ordering him at gunpoint to lie down in a ditch.

During the beating, Bajram said, the policemen repeatedly threatened to kill him, saying, "You will never eat Serbia's bread again." It was their effort to humiliate the Serbs' claim to undisputed dominion over everything in Kosovo, a province of Serbia, Yugoslavia's dominant republic, where ethnic Albanians comprise 90 percent of the population.

Bajram's bruises and scars are just part of the evidence that Kosovo is rapidly becoming a lawless territory, in which kidnappings, beatings and other acts of violence are turning the lives of citizens upside down. The open warfare between Serbs and ethnic Albanians that has touched dozens of villages and towns has not yet spread to Pec, but the city is suffused with an atmosphere of fear and, sometimes, terror.

As many as a third of the city's 40,000 inhabitants have fled in the past two weeks, most traveling by foot over mountain passes in avoid Serbian checkpoints and reach relative safety in the neighboring Yugoslav republic of Montenegro. According to the United Nations, more than 14,300 refugees from Kosovo have been registered in Montenegro since March, including at least 7,200 ethnic Albanians and 2,000 Serbs from the province's western region.

They are fleeing a city where few people go out to socialize, where almost no one has a steady job, where cultural performances have been halted for months and where even private celebrations in mark holidays or high school graduations are discouraged for fear of attracting the unwanted attention of Serbian police. At least 17 Serbs and six ethnic Albanians have disappeared

from Pec and surrounding villages since mid-May, according to the Pristina-based Humanitarian Law Center; they are presumed to be victims of kidnappings by ethnic Albanian guerrillas or government security personnel.

Loxha, a 55-year-old ethnic Albanian interviewed at a refugee center near the Montenegrin city of Rozaje, said he left a suburb of Pec with five relatives "because a lot of shootings were going on."

Everyone abandoned their houses," he said. "We hate wars. If I were to go back, I would not feel safe."

Many who fled evidently were alarmed by brief fighting last week between the Serbian militia and members of the ethnic Albanian rebel group known as the Kosovo Liberation Army, over control of Lodja, a village three kilometers southeast of Pec.

Most of the houses along the road leading there are abandoned, with Ser-

bian snipers peering out of windows piled with sandbags and a large police detail blocking all traffic from reaching the village. Fighting in outlying areas has caused an influx of more than 36,000 refugees into the city, most of whom are staying with friends or relatives whose resources already are stretched thin.

Almost none of the residents of Pec venture outside after dark, turning what was once a vibrant city of musicians, traders and tourists into a ghost town at night. Under normal conditions, the streets of most Balkan towns are thronged Saturday night with flirting teenagers and strolling families. In Pec Sunday evening, a reporter encountered only a few stray dogs and one couple during a 90-minute walk in the city center.

The woman, Mirjana Ilic, said that most of her friends were unemployed



and that she now lived off the street-gambling winnings of her husband, Seftija Zejnelagic. "Milosevic and Rugova, these are the people who are making trouble," Mirjana said, speaking of President Slobodan Milosevic of Yugoslavia and the ethnic Albanian leader Ibrahim Rugova. "The two sides are making mistakes, but I as a Serb say Serbs are making more mistakes."

During the day, city residents are forced to spend much of their time foraging in shops for scarce food, such as cooking oil, bread, flour, sugar, butter and macaroni. For much of the past four months, Serbian officials have imposed an unofficial embargo on shipments of these and other goods to Kosovo; three weeks ago, they declared in a letter to businessmen in the province that shipments of about 40 commodities would be restricted.

The results of what some aid workers have called a "slow strangulation" of the province have been catastrophic for many businesses here. A trade association in Pristina, the provincial capital, reported last week that nearly one-third of all the province's egg-laying chickens have died because farmers cannot obtain chicken feed, causing a doubling of egg prices in the last month.

It is "an effort to squeeze the population into submission," said the local director of a humanitarian organization in a letter last week to Richard Holbrooke, the special envoy who has been nominated as U.S. ambassador to the United Nations.

What little food comes in has been funneled to state-run stores, which are managed by Serbs; private stores run by ethnic Albanians can sell only the produce they obtain in the province. Moreover, many of the state stores maintain lists of "permitted" customers, most of whom happen to be Serbs.

Critics of Milosevic Urge U.S. to Take Kosovo Lead

The Associated Press

THE HAGUE — With fighting intensifying and the death toll mounting in Kosovo, a broad coalition of Serbian opposition leaders called Monday on the United States to take the lead in helping to end the sharpening conflict.

The Alliance for Change, consisting of Serbs opposed to President Slobodan Milosevic, met the senior U.S. diplomat for the Balkans, Richard Gelbard, for talks aimed at persuading foreign countries to broker a cease-fire and to stop more arms from reaching the Serbian province of Kosovo.

Although they appeared to come away without concrete pledges after three hours of talks, alliance members were encouraged by the positive reception they received from Mr. Gelbard.

"We have received full support for democratization of our region," said a former Yugoslav prime minister, Milan Panic.

"It is clear to us that the American government is prepared to assist in the democratization of Yugoslavia."

Mr. Gelbard said the United States welcomed the group's establishment as a driving force toward more democracy in Yugoslavia and would offer it support. He would not specify what form the support would take.

"The United States has been very supportive of this process in the past and

in the present and we intend to continue to be for the future," Mr. Gelbard said.

"This is potentially very important and useful and we look forward to further discussions," he added.

Alliance members, who include reformist Serbs from Kosovo and a Serbian Orthodox bishop from the province, support broad autonomy for Kosovo. They urge a cease-fire followed by negotiations to discuss the province's future.

Mr. Gelbard also met with Serbs from Kosovo on Monday but would not comment on the discussions.

Serbs said after the brief meeting that they had been invited to Washington in September for further talks.

Serbs battled militant separatists for a central Kosovo town for the third day running on Monday, sending thousands of refugees fleeing deeper into guerrilla territory, ethnic Albanian sources said.

The fighting for the town of Orahovac was reported by the daily Koha Ditore and the Kosovo Information Center, which is close to the leadership of the ethnic Albanian majority in Kosovo.

The newspaper said that 25,000 residents had arrived from the Orahovac area to Malisevo, deeper in the 30 to 40 percent of the territory believed held by the Kosovo Liberation Army.



Smoke billowing from homes in Orahovac testifies to heavy fighting for the Kosovo town over the weekend.

Riding High, President Places His Trust in Future

President Valdas Adamkus of Lithuania, 72, has just marked six months in office.

Lithuanian by birth, he spent 50 years of his life in the United States, where he was a senior official in the Environmental Protection Agency, before returning to Lithuania to be a candidate in its third presidential election.

He spoke with Justin Keay for the IHT.

Q. How do you measure Lithuania's progress since independence in 1991?

A. In 1972, I returned to Lithuania for the first time since my childhood. The first thing I noticed was that people never had smiles on their faces. For me, coming from the free world, that — few was the most depressing thing of all. Since then, I visited regularly, so I was able to measure the changes after Brezhnev, right up to the present.

I feel today we are regaining the confidence of Western partners, which is vital to the rebuilding of the economy. In the last three months, in particular, investor interest has been significant.

We hope this year's privatizations will lead to a doubling of foreign direct investment from \$1 billion at the end of 1997. We are cutting bureaucracy, and

Q & A / Valdas Adamkus of Lithuania

the currency remains stable, which encourages confidence.

This is not to say all our problems are solved. The tax and legal system remain problematic, and we face some worrying social issues.

Q. What motivated you to run for president?

A. I felt, after being a regular, well-known visitor, that I had a moral obligation to people. I felt my U.S. experience would help us in getting rid of bureaucracy, opening up society and introducing free market ideas.

I felt that without any political baggage, I would be well-placed to help the people of Lithuania.

I feel now the decision was absolutely right.

Q. What are Lithuania's main priorities?

A. My main domestic priority is to see improved living standards for everyone. That means jobs and an improved social structure.

Also, over the next few months, we will speed privatization in most areas of the economy.

Foreign policy-wise, we want to be members both of NATO and the European Union.

We satisfy many of the requirements, especially that of good relations with our neighbors. Relations with Poland are the best in our history. I have met three times with the Polish president, and he is openly supporting our candidacies.

Relations with Russia are vital, and I feel we are making good progress.

Q. In London last month, Russia's foreign minister, Yevgeni Primakov, explicitly spelled out his opposition to the Baltic republics' joining NATO. Does this concern you?

A. Primakov visited me on his return from West Europe recently, and diplomatically avoided mentioning this. I realize Russia is opposed to our membership, but it realizes, too, that we are not about to become members tomorrow.

I believe that when the decision

comes, Russia's attitude to NATO will change. NATO is interested in an inclusive global security system, which is what we are all looking for. Other security agreements simply will not work.

I want membership for all three Baltic states. I don't think individual, bilateral approaches are good.

Q. How about relations between the Baltic States?

A. I am taking steps to create closer ties, that will take all three closer to the Scandinavian business world.

At the moment people talk of Five Plus Three [the five Scandinavian and the three Baltic countries]. I would like instead to be the Northern Eight. I think closer cooperation will happen.

Q. Lithuania, like other countries of the former Communist bloc, faces many unresolved issues from the past — for example, the wartime massacre and deportation of Vilnius's once large Jewish population. What steps are you taking to resolve them?

A. I am a full supporter of the legal process.

I would like to see the center of Judaism in Lithuania restored, and am considering building a Jewish center to



Valdas Adamkus, a U.S. citizen who felt call to return to his roots.

enable people to come and learn about the past.

All three Baltic states should establish international committees to invite people from around the world to look into our past.

Let history evaluate us, and this should heal the wounds. However, we have to live with the past. Our hopes now are for the future.

BRIEFLY

Belgian Detention In Pedophilia Case

BRUSSELS — The police detained a leading member of an anti-pedophile group Monday, apparently after he refused to hand over files the group says it possesses on an international child-sex ring.

Marcel Vervloesen, the leader of the group — called Morkhoven, after the village in northern Belgium where it is based — was taken in for questioning.

Dutch police asked Belgian colleagues to investigate Morkhoven after the discovery of computer disks containing images of sexual abuse in an apartment in the seaside town of Zandvoort in the Netherlands. The apartment belonged to a German convicted pedophile, Gerrit Ulrich, who was slain in Italy last month. Italian police are holding a Belgian man on suspicion of killing him.

On Saturday, Morkhoven reportedly refused to hand over his files to Dutch police. The group said it had been unfairly accused of breaking into Mr. Ulrich's apartment. Morkhoven contends that the files were handed over by Mr. Ulrich's family. (AP)

French Sail Legend Is Confirmed Dead

PARIS — The family of Eric Tabarly, the drowned French sailing legend, said Monday that a body found last week in a fishing boat's haul off the Irish coast had been identified as his.

The body was due to be cremated in Ireland on Monday and his ashes were to be returned to the family in Brittany, said Gerard Petitpas, a friend of the family.

Mr. Tabarly, 66, a hero in France for his trans-Atlantic racing exploits, fell overboard from his yacht Pen Duick off the coast of Wales a month ago. (Reuters)

Accord Reached By Dutch Coalition

THE HAGUE — Queen Beatrix of the Netherlands has asked acting Prime Minister Wim Kok to appoint a new cabinet, ensuring the continuation of his coalition of the Labor and Liberal parties and the centrist party Democrats 66, the ANP news agency said Monday.

The coalition was given an increased majority in elections on May 6. Over the weekend, the three parties reached agreement on their program for the next Parliament, and on Monday they presented their report to the queen, recommending that she appoint Mr. Kok to form the government. (Reuters)

Turk Threatens Cyprus Conflict

Greek Missile Plan Condemned

Reuters

NICOSIA — The Turkish prime minister, Mesut Yilmaz, warned Monday that plans by Cyprus to acquire anti-aircraft missiles could lead to renewed conflict between Greeks and Turks.

Greece and the Greek Cypriots have not learned the lessons of history. I want to point out that the events of 24 years ago remind us how dangerous this is," Mr. Yilmaz said to reporters in northern Cyprus.

Mr. Yilmaz was visiting Cyprus to mark the anniversary of the Turkish invasion. Turkish troops landed on the island in 1974 in response to a Greek Cypriot coup backed by Greece.

Cyprus has been divided into two rival sectors since then, despite frequent efforts by international mediators to reunite it.

Tension rose after the Cypriot government announced plans last year to buy S-300 anti-aircraft missiles from Russia. Turkey, which keeps 30,000 soldiers in northern Cyprus, has threatened to use force to prevent the missile installation.

"We will not refrain from taking every kind of precaution," Mr. Yilmaz said after meeting the Turkish Cypriot leader, Glavkos Klerides.

The Greek Cypriot president, Glavkos Klerides, said Sunday that Cyprus would continue to bolster its defenses as long as efforts to reunite the island were stalemated.

The foreign minister, Yiannakis Kasoulides, said the government would lodge protests with the United Nations against the arrival in northern Cyprus of six Turkish Navy ships and an Air Force display team for the anniversary.



A man and woman crying during a Greek Cypriot demonstration on Monday in Nicosia. The man holds a picture of a missing relative. At right, a Turkish Cypriot commemoration of the invasion, also in Nicosia, an aged war veteran displayed his pistol and rifle.



"The issue here is that heaven and earth were moved because four Greek fighters landed at Paphos airport. I want to see what will happen now with these Turkish provocations," he said.

Turkey sent F-16 warplanes to the north last month in retaliation for the dispatch of Greek Air Force jets to Paphos Air Base in the south. The incidents prompted U.S.-backed calls

for a zone over which flights would be banned. "The S-300s are not just our problem but the problem of the whole of Europe and the United States," Mr. Yilmaz said, Washington, wishing to avert a conflict between two allies, opposes the missile deployment. Greece and Turkey are both members of the North Atlantic alliance.

Mr. Yilmaz repeated Turkish threats to integrate economically with the self-declared Turkish Republic of Northern Cyprus if the Cypriot government joined the European Union.

The European Union's current plans call for admission of Cyprus before Turkey.

Turkey is the only country in that recognizes Mr. Denktash's Northern Cypriot government as sovereign.

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INTERNATIONAL

In Ulster's Logic, the Quinn Boys Were Just Catholic Enough to Be Killed

By Warren Hoge
New York Times Service

BALLYMONEY, Northern Ireland — Christie Quinn, a 29-year-old Roman Catholic, lived in a drab housing project where the only religious colors displayed were the red, white and blue of Protestantism.

So, she sent her sons, Catholic by heritage but never baptized, to an all-Protestant primary school. "I brought them up as Protestants because their fathers were Protestants and because I was living on a Protestant estate," she explained. "I thought it was the right thing to do. I didn't want them to feel different."

But they were different enough for the Protestant arsonists who threw a gasoline bomb into their living room window. Now their two-story house, the only one on the block not to fly the Union Jack, stands out with boarded up windows and an ugly black smear of soot rising above its doorway.

And three of Miss Quinn's four boys are dead,

symbols of a reality of the sectarian violence here. All it takes is a trace of one religious background to make someone an enemy in the murderous minds of people from the other side.

Miss Quinn, her 31-year-old partner, Raymond Craig, and an 18-year-old friend escaped the flames July 12 by hurling themselves out a downstairs window. But the three boys, Richard, 11, Mark, 10, and Jason, 9, were trapped upstairs and burned to death in their beds.

NEWS ANALYSIS

Their killings brought expressions of horror from around the world, and so stunned Northern Ireland that a province-wide rampage of rioting, over a ban on a Protestant parade through a Catholic area, abated as mainstream Protestant and Catholic leaders sought to revive the spirit of a landmark peace accord signed in April.

But places like North Antrim, the densely Protestant part of Northern Ireland where the Quinns lived, offer evidence of how difficult it is to dispel hatreds on the ground. Catholics account for more than 45 percent of the province's

overall population, but in many communities in this region they make up less than 10 percent. They become particularly watchful in July, when the Protestant marching season sends the men of the Loyal Orange Order of Portadown out into the streets in their bowler hats, and more sinister supporters of the Protestant cause commonly resort to violent action like arson.

Besides the Quinns, there were a half dozen other Catholic families in the Carnary housing project, and a number of them reported last week that they had gone to sleep every night this month with fire extinguishers by their bedsides and garden hoses attached to sink faucets. Many of them had received letters carrying a single bullet and a brutally scribbled warning to get out.

"I never got one, and I thought we were all right," Miss Quinn said. Her uncle, Robert Patton, 53, says he knows she was worried, though. "She told the kids to come home early," he said. "She had a feeling that something was going to happen."

The boys parked their bikes by the fence, where they still stand immobile today, and went

upstairs to bed by midnight. Taking care, Miss Quinn stayed awake and watchful until 3 A.M. The arsonists struck at 4:30.

What had kept the boys out late is poignantly emblematic of how comfortable they felt in the local Protestant culture (however uneasy Catholic adults may feel). They were frolicking at a bonfire, one of the many that light up the sky this time of year in commemoration of the Battle of the Boyne in 1690, when the Protestant King William defeated James, a Catholic. July 12 is the most important date on the Northern Irish Protestant calendar, and it is the day the three Quinn boys died for having been born Catholics.

And in the aftermath of their deaths, every block of the Carnary housing project now has moving vans on it. The people fleeing are like the Quinns, people who dared commingle the province's two warring communities.

The boys, known by the impish nicknames of Tavish, Marky and Ace, are remembered with fondness by people in the project, including Protestants.

"They were just three tearaway wains," said

Margaret Thompson, using a Scottish term for children common in this area where many Protestants trace their background across the North Channel.

"They got into devilment, but they were not bad. They were just full of life and carry-on." Two teenage neighbors, Andrea Ramsey and Amanda McAlonan, also Protestants, remembered how the boys loved to surprise them with kisses and then sprint off. "They were just playful, lovable wee devils," Amanda said.

The two girls composed a poem for the boys' Requiem Mass last Tuesday, prompting a burst of emotional applause from the Catholics and Protestants who packed the church. Titled "Tribute to Three Jolly Fellas," it concluded with the lines:

*I can still feel the cold, wet lips of when I kissed you and when you ran away
So I guess the next few lines are going to have to be goodbye
I miss you so much, your little lips long to touch
Kisses and hugs. Rest in peace.*

Israel Said to Seek Shifts On a West Bank Pullout

The Associated Press

TEL AVIV — Israeli and Palestinian negotiators met privately Monday in a second round of discussions aimed at reaching agreement on an American peace initiative.

A television news report said that Israel was suggesting several changes to the U.S. proposal.

The latest meeting, held at a kibbutz near Jerusalem, came one day after the two sides held their first high-level talks in months.

The talks were urged by the United States, which after long mediation, failed to get Israel to agree to withdraw its troops from 13 percent of the West Bank.

The Palestinian leader, Yasser Arafat,

who accepted the American proposal in January, reported there was no progress in the weekend meeting.

But Prime Minister Benjamin Netanyahu, who has said a 13 percent withdrawal would be dangerous to Israel's security, insisted Monday that an accord was possible.

The chief Palestinian negotiator, Saeb Erekat, said that Israel did not accept the U.S. initiative at the Sunday talks.

He said the Palestinians had told Israel that the percentages in the American pullback plan were "nonnegotiable."

Israel's Channel 2 television reported that the Israeli delegation was proposing to carry out a 10 percent pullback and turn the additional 3 percent into "nature reserves," to be watched over by both sides.

Israel has also demanded that Mr. Arafat convene the 460-member Palestine National Council, as he did in 1996, to reaffirm the deletion of sections in the PLO Charter that call for the destruction of Israel.

But Channel 2 said that Israel would now agree to a ratification of the changes by the smaller 100-member PLO Central Committee, which would be easier to convene and more likely to approve the changes once again.

The Central Committee approved the historic 1993 Israeli-Palestinian peace accords.

Defense Minister Yitzhak Mordechai, who presided over the Sunday meeting, said he recognized that the sides were not close to a breakthrough.

"There is a lot of work," he said. "I don't want to create any illusions. There are still issues that require decisions to be made on them."



Israeli police arresting ultra-Orthodox Jews on Monday for disrupting road building near ancient graves. The men denounced what they called desecration of Jewish graves; archaeologists have yet to identify the bodies.

■ Syria Calls for Trials

Syria called Monday for the new International Criminal Court to try Israelis as war criminals, Agency France-Presse reported from Damascus.

This call came after the Saturday vote in Rome to create an international court to

try war criminals. Settling people in occupied territory was labeled a war crime.

"Israeli settlement activity is a form of ethnic cleansing," the Syrian government newspaper Tishrin charged, adding: "Israel's crimes are countless and must be punished by the international court."

About 320,000 Israelis have settled in the Gaza Strip and the West Bank, including East Jerusalem. More than 13,000 have settled on the Golan Heights. All were occupied in 1967.

The court's jurisdiction will be exercised only if the country in which the crime occurred has ratified the treaty.

PLANTS: Europeans Shunning Genetic Engineering on the Farm

Continued from Page 1

patch of organic potatoes on his farm just south of Zurich. "A bunch of people are trying to get rich by telling us that nature isn't good enough and that we will have to take genes out of a fish and put them in a strawberry if we want to survive. They are changing the basic rules of life, and they want to try it all out on us."

"Maybe they will get their way," he added, referring to the failure of a recent national referendum here on curtailing genetic engineering. "It happened in America. But it won't happen on this farm. Here we are going to live like God intended."

Prince Charles of Britain recently voiced a common sentiment when he announced that no genetically altered food would ever pass his lips. "That takes mankind into realms that belong to God, and to God alone," he said.

The debate here about how — and whether — to unleash the most powerful tools of modern biology says much about the cultural and philosophical differences between pragmatic and risk-ready America, where genetic technology that focuses on food has largely been accepted, and the far more reticent people of Europe.

But it says more than that, because what happens to crops from Bialystok, Poland, to Bruges, Belgium, will have major consequences not just for farmers, but also for industrial policy and for fields like medicine, agriculture and pharmaceutical research.

Europeans do make distinctions. They see genetic engineering in the pursuit of better medicine as worth a few moral doubts, and like many Americans, they are profoundly unsettled about the prospect of such research involving humans.

Yet often the differences between research in plants and animals are completely blurred by sensational events. The cloning of an adult lamb in Scotland

two years ago only deepened fears people already had.

There are many ways to explain the European conservatism, a strong environmental movement rooted in the 19th century philosophy that nature is as wise as man, a fear of drastic change and the unusually large number of small farms still run by families who are reluctant to end practices that have been honed over centuries.

Recent history also plays a role, for in this part of the world the uses of genetics have not always been benign. In almost any discussion the dark but recent past also comes up.

"The shadow of the Holocaust is dense and incredibly powerful still," said Ar-

It won't happen here. Here we are going to live like God intended.

thur Caplan, an ethicist at the University of Pennsylvania. "It leaves Europe terrified about the abuse of genetics. To them the potential to abuse genetics is no theory. It is a historical fact."

Despite the victory for researchers in Switzerland, the battle for Europe continues to rage. Norway no longer accepts U.S. soybean imports because more than one-third are genetically modified to ward off pests. Austria and Luxembourg have totally banned genetically modified food.

In France — where food is never just food — the issue was recently put before the nation by a "citizens conference" that produced an ambiguous statement of "cautious" support for such crops. In Britain, vandalism has become so common at sites where genetically modified crops are tested that the government is considering concealing their locations.

"These people who say they are defending nature simply harm the countries they pretend to protect," said Daniel Vasella, president and chief executive officer of Novartis AG, the phar-

maceutical giant that has energetically begun to move into food production. "We have enough food in Europe. So that's not really an issue. That lets them fight to keep everything forever the way it is now. They move ahead by looking backward. It is so very egotistical."

All farmers try to grow crops that resist disease and last long enough to arrive safely at the market. The task is obvious but not simple. Officials at the UN World Food Program estimate that up to 40 percent of the world's crops are destroyed as they grow or before they leave the field. Attempts to find a way to protect them have therefore been intense.

Scientists can now tell with precision which of 50,000 genes in a plant governs a particular trait. If it is beneficial, they can take that gene out of one species — something that wards off a common insect, for instance — copy it and put it into another organism, which, along with its offspring, will then have a genetic structure that aids resistance to such pests.

In a way, that is nothing new. For centuries farmers have been trying to breed crops to make sure that the biggest and best survive.

"What is this 'mad' science?" asked Joseph Zak, who is paid by the American Soybean Association to try to calm European fears about how soy products are grown in the United States. "It is just another step in the history of agricultural technology. It falls in the same line as when tractors replaced the horse. It's like when fertilizers came into the picture and when we moved to breeding to make a better product."

But consumers often see it as tampering with their food. And in Europe, where regulatory bodies are not nearly as powerful or as respected as the Food and Drug Administration is in the United States, the fact of manipulation drives people crazy. In addition, "mad cow" disease, which exposed fundamental



Kaspar Gunthardt checking the carrot crop at his technologically modern but organic farm near Zurich.

flaws in food-safety regulation, reminded people that science is never infallible.

"I am sure all this food is safe and that there might be some promise to it," Li-anne Wilier, 31, an accountant in Zurich, said. "If it helps poor people somehow, I'm all for it. But I would never feed something to my children that is not natural. It feels wrong to me, I guess, because if we make a mistake on this level, there is no going back. Saying we were wrong isn't going to be good enough."

Despite enormous experience that shows the crops are safe to grow and eat, fundamental questions do exist about the possible uses of such technology.

There are dozens of varieties of genetically modified seeds — corn, soybean, potatoes and cotton are examples — that have been planted in the United States. Many more are on the way.

Soybeans that have been modified to tolerate an herbicide have revolutionized one of the world's most important crops. And, yes, it is now possible to take a gene from certain fish, which permits it to tolerate the extreme cold of the deep ocean, and insert it into a strawberry.

"Who wouldn't feel a little strange about all of this?" asked Monsignor Elio Sgreccia, president of the Vatican Bioethics Institute, which closely follows debates about genetic technology.

"It is a troubling aspect of a world that seems to be moving too fast, one in which people often make terrible mistakes in the name of progress."

Bonn Opposition Decries Planned Holocaust Shrine

The Associated Press

HAMBURG — A book publisher designated to be the top adviser on cultural affairs if the opposition candidate Gerhard Schröder unseats Chancellor Helmut Kohl in September spoke out Monday against the planned national Holocaust memorial in Berlin.

The publisher, Michael Naumann, said at a news conference in Potsdam, near Berlin, that it was much more important to take care of the crumbling former concentration camps and their museums, where the horrors of the Holocaust are more directly preserved.

"I fear that a nation that displays the biggest crime of its history as an elegant, chic statue will sometime have to be accused of shamelessness," Mr. Naumann told Die Woche newspaper.

Jewish leaders maintain that the memorial will send a message to the world about Germany's willingness to atone for its Nazi past.

The head of Germany's Central Council of Jews, Ignatz Bubis, criticized Mr. Naumann's stance in an interview to appear in the Tages-spiegel daily on Tuesday.

"If that is supposed to be the big vision of the culture man in the federal government, all I can say is: poor culture," Mr. Bubis said.

Mr. Schröder backed Mr. Naumann at the Potsdam news conference, saying that his and Mr. Naumann's positions on the Berlin memorial were very close.

Mr. Naumann, currently the chief of Metropolitan Books-Henry Holt Inc. in New York, was named by Mr. Schröder over the weekend to be his cultural affairs adviser if his Social Democrats win the Sept. 27 parliamentary election.

Mr. Naumann would coordinate the budget of 1.3 billion Deutsche marks (\$720 million) that the federal government spends annually on culture, including memorials.

The national Holocaust memorial project has been debated for more than a decade, with argument over its design, location and purpose.

Germany's best-known living author, Gunter Grass, is among those who want the project scrapped, arguing that an atrocity such as the Holocaust cannot be remembered in a single monument.

Mr. Kohl rejected the winner of the first design competition in 1995, but has said that he remains committed to the project, which backers hope to build in 1999 with federal, city and private funds.

Nigeria, Poised to Offer Civilian-Rule Plan, Frees 10 Foes

Reuters

ABUJA, Nigeria — Nigeria's military ruler, General Abdulsalam Abubakar, pardoned 10 political detainees Monday before an expected announcement of a new plan to restore civilian rule.

Those pardoned and freed included three well-known journalists, Ben Charles Obi, George Mbah and Kunle Ajibade. They were sentenced by a secret military tribunal in connection with an alleged 1995 plot to overthrow General Sani Abacha, the military leader who died of a heart attack June 5.

An official statement said General Abubakar would make a national broadcast late Monday.

The speech was expected to set out a new plan to restore civilian rule to the oil-producing country, which has been beset by years of political turmoil since the annulment of 1993 elections as Moshod Abiola, a businessman, was about to win. He was later arrested.

The broadcast was planned for earlier this month but deferred after Mr. Abiola's death of a heart attack July 7 in detention triggered ethnic riots in his southwestern stronghold.

General Abacha had been the sole candidate in presidential elections set for Aug. 1 and was due to hand over to a civilian ruler — almost certainly himself — on Oct. 1.

Government officials said they expected that General Abubakar would push back the handover date by about nine months to one year to allow for a complete reorganization of the electoral structure to allow a fair ballot.

General Abubakar has won a great deal of support from Nigeria's traditional allies in the West for releasing many of the best-known political pris-

oners, including a former military ruler, General Olusegun Obasanjo, who was also sentenced over the 1993 plot.

Nigerian Radio said the French cooperation minister, Charles Josselin, told General Abubakar at a meeting that he would try to get European Union sanctions lifted and had invited him to a French-African summit meeting in France, a visit that would be banned under current EU visa restrictions.

Under General Abacha, Nigeria was shunned internationally as a pariah state; his death appeared to offer a fresh hope of establishing democracy.

25 جولاء 1998

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune

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Risky Uranium Deal

An ingenious arrangement that has encouraged Russia to convert its stockpiles of bomb-grade uranium into much less dangerous civilian reactor fuel and earn precious cash in the process could soon be undone. The Clinton administration, in a move that could easily be reversed, is planning to sell off the United States Enrichment Corp., the government-owned company in charge of buying the Russian uranium.

As a private, profit-making business, the Enrichment Corp. will have strong incentives to walk away from the Russian deal, which competes with its more profitable core businesses. There are just a few days left before the sell-off becomes final. Vice President Al Gore, who helped negotiate the Russian uranium deal, or President Bill Clinton could stop it and should.

Under the arrangement with Moscow, Russia blends down its bomb-grade uranium to reactor fuel and sells it to the Enrichment Corp. Moscow is paid for its blending services in cash and also receives offsetting amounts of natural uranium, a much less dangerous material, in compensation for the underlying value of the uranium that it turns over to the United States. This scheme depends on Washington's ability to insulate uranium prices against adverse market trends. That leverage

would be lost under privatization. The Enrichment Corp. makes modest profits on the Russian deal, but much less than it does by enriching domestically obtained uranium in its own facilities. As a private company it would be strongly tempted to cut back or even eliminate purchases from Russia, possibly by flooding the market with cheap natural uranium. Saving the Russian deal would then require large taxpayer subsidies, which Congress might not approve.

Two of the most prominent critics of the privatization plan are Thomas Neff, the scientist who conceived of the Russian uranium deal, and Joseph Stiglitz, who evaluated the economics of the sale during his term as Mr. Clinton's chief economic adviser. Senator Pete Domenici, a sponsor of the privatization legislation and the Senate's most influential voice on nuclear issues, recently urged the White House to review the national security issues involved.

With private companies also wary of purchasing the Enrichment Corp., the administration has turned to the unusual expedient of selling shares directly to the public. That promises rich underwriting fees for Wall Street. But this deal offers little economic gain for the taxpayer and risks big losses for American nuclear security.

—THE NEW YORK TIMES.

Hands Off the Surplus

President Bill Clinton said again that if we Americans are going to have a budget surplus, then "we ought to make sure we've got a long-term plan in place. Social Security taxes are squandering that surplus on tax cuts." He is right — and he defined what likely will be the major issue for the rest of this Congress.

The Republican leadership wants, if not to enact, at least to hold a vote on a sizable tax cut before the November election. But under the rules they lack the votes for either the spending cuts or offsetting tax increases that would be required. That leaves the projected Social Security surplus, all the more tempting a target after the Congressional Budget Office raised its estimates last week.

The new estimate is large enough to take care of Social Security and finance a tax cut, both at the same time, said the House speaker, Newt Gingrich. He laid out a tax cut wish list. Eliminate the so-called marriage penalty, whereby some two-earner couples end up owing higher taxes married than they would single; cut the capital gains tax; phase out the estate tax, and let the self-employed deduct the full cost of their health insurance.

"You cannot afford to leave \$1.6 trillion" — the long-range surplus estimate — "in Washington, D.C., where they will spend it," Mr. Gingrich said. "And so here is a package that gets it all back home. ... This is a total winner for us politically."

But the kind of tax cut he has in mind

would be wrong on the merits. It is also not necessarily a winner politically. The surplus that is being projected consists almost entirely of Social Security reserves. Social Security taxes are higher than necessary to pay Social Security retirement benefits. They were set that high to build up the trust fund in anticipation of the day, not that far off, when the baby boomers would retire and the excess would be needed to cover costs. The rest of the budget remains in deficit.

The right use of this Social Security surplus is to pay down the debt against the day when, to cover the costs of the boomers' retirement, the government again will have to increase borrowing. To use it instead to finance what would be a mostly regressive tax cut would be a terrible fiscal and social policy. Our sense is that it would be terrible politics as well. Does Mr. Gingrich really think that a tax cut largely for the better-off financed out of Social Security reserves is a good sell?

The long-term federal financial outlook is still quite grim. The surplus is in that sense an illusion. The last thing that Congress ought to enact just now is a tax cut. The Republicans mean nonetheless to try. They will find a way to fashion a bill that will be hard to oppose as Election Day approaches.

The president was implying Friday that he will oppose it even so, if it is not properly financed. We trust he means it and won't fold. It is he who, we think, has the "total winner ... politically" in this case. And this one matters.

—THE WASHINGTON POST.

Campaign Finance, Again

The House of Representatives has again taken up the issue of campaign finance reform. Under pressure from principled members of their own party, the Republican leaders have dropped some of the tactics used to block consideration of the Shays-Meehan bill, but it still has a long way to go before it gets the promised up-or-down vote.

The bill, named for Representatives Christopher Shays and Martin Meehan, would ban the "soft money" that allows unlimited special-interest contributions in political parties. These contributions have rendered meaningless the Watergate-era laws limiting contributions to candidates. Opponents have been trying to smother Shays-Meehan in proposed amendments that would delay final consideration indefinitely. But last week the sponsors and the House leadership announced an agreement that would reduce the number of amendments to 55. Total debate will be limited to 17 hours, a deadline that should bring about a final vote before the House recesses Aug. 7.

Passage by that date is essential if the measure is to have any chance of getting through the Senate this term. But the bill faces a second set of obstacles. Under a rule imposed by the House leadership, it also must get more support than a number of competing campaign finance bills waiting on the

runway. Only then can it move on to the Senate, where Majority Leader Trent Lott is equally determined to thwart the will of the majority and stave off any serious campaign finance reform.

This week the bill will have to survive a barrage of amendments, none of which deserve passage. Some are intended to weaken its provisions. Many are simply outlandish amendments.

Bill Thomas, House Oversight Committee chairman and no friend to campaign finance reform, deserves some credit for working out the time-limit agreement. But members of the Republican leadership led by Majority Whip Tom DeLay seem unshaken in their determination to kill Shays-Meehan. Speaker Newt Gingrich and Majority Leader Dick Armey have in come up with a timetable that will allow the vote they have promised before the fast-approaching recess.

If Mr. Gingrich and Mr. Armey break their pledge they will be exposed to their membership as legislators whose word is absolutely useless. They will be blamed when the slim majority goes home to run for re-election and has to explain why the party went to such lengths to protect the rights of big-money special interests to influence elections.

—THE NEW YORK TIMES.

Before All Else, Japan Must Restore Confidence

By Gregory Clark

TOKYO — The conventional wisdom says that Japan's voters have turned against a do-nothing prime minister and want serious economic reform. The conventional wisdom gets it wrong, again.

If anything, Prime Minister Ryutaro Hashimoto and the people around him were too active. Their rapid-fire announcement of policies to cope with economic problems encouraged an initially apathetic electorate to see the July 12 upper house election as a vote of confidence in the economy. Put in those terms the verdict had in the thumbs down. The voters have little idea of what needs to be done.

True, the economic slump does seem puzzling and the temptation to blame the government is strong. Japan has had seven years to recover from the collapse of its "bubble" economy. Accumulated savings, both personal and national, far exceed bad bank debts, government debts or any of the other deficits that are supposed to plague Japan. Its manufacturing sector remains as world-beating as ever.

The puzzle is solved when psychological factors are considered. The Japanese save for a variety of reasons — worry about the future, a lack of interest in lifestyle spending and

so on. This means a chronic lack of domestic demand, a problem for Japan even in the best of times.

Demand is further cut by post-bubble pessimism and declines in asset values, which push the economy down — which further encourages Japan's emotional consumers and investors to spend even less, which pushes the economy even further down. Unbelievably low interest rates, government exhortations and tax incentives all fail to shake the mood of national gloom.

One obvious solution to the downward spiral is for the government to do the spending that the private sector shies from. But on the advice of the "experts," both domestic and foreign, the government last year set out to do the exact opposite. It raised the unpopular consumption tax, promised in drastically cut government spending and allowed major banks and securities companies to go bankrupt.

Many of these reforms were theoretically correct, just as the fiscal policies that triggered the Depression had a kind of logic, too. The timing just happened to be bad. Japan's economy has been in a coma ever since.

To their credit, the people around Mr. Hashimoto quickly realized the mistake and set out to reverse course. But that was like trying to make a supertanker do an about-face in a choppy sea. The ship then ran into an iceberg, the election. Now it has no captain.

True, a change in prime ministers could be as good as anything in helping lift the blanket of pessimism. But the revived opposition parties now have an interest in blocking economic recovery so they can improve their chances in the next lower house election.

Meanwhile, most of the experts have yet to realize where they got it wrong. Having urged fiscal discipline last year, they now flay the government for its reluctance to cut taxes deeply. Tax cuts happen to be the weakest tool for economic revival, since their effects are delayed and much money ends up simply as surplus savings anyway.

The experts continue to urge immediate deregulation and restructuring, despite obvious evidence that the private sector will become even more tightened if there are any more bankruptcies. They have yet to learn that in an economy like Japan's, reforms can come only after confidence has been restored.

They blame the government for the weak yen. Yet the two measures they

urged on the government to revive the economy — minimal interest rates and Big Bang deregulation of financial transactions — guaranteed that the yen would weaken.

Much of the reason for this bad advice is a mind-set that any recovery should be based on private rather than government initiative. That is understandable given the corruption and waste in much government spending. But in that case the experts should pay more attention to land policy, the one area where deregulation and tax cuts could easily spark a recovery led by the private sector.

A recovery could soon turn into a boom, as the people who made fortunes from land during the bubble years rush to break open their savings and seek to make yet another bundle.

Indeed, real estate prices have already fallen enough to attract foreign investors. But Japan's herd-instinct investors will not move until they are sure that prices are rising — and so the downward spiral continues. Immediate and massive injection of public funds into the economy is the only answer.

The writer, a former Australian diplomat, contributed this comment to the International Herald Tribune.

A Little Tough Love From Clinton and Greenspan Is Needed

By Bruce Stokes

WASHINGTON — In the last few days, the political instability in Tokyo has led Clinton administration officials to pull their punches, lest they trigger a collapse of the yen and new turbulence in equity markets.

But now is not the time for faint-heartedness. The global financial system is teetering on the edge of the abyss, and fixing the Japanese economy is the only way to avoid disaster. Now is the time to apply new pressure on the Japanese government to finally institute meaningful economic reform to end its recession. The Clinton administration may never again have such an opportunity.

In the next few days, Washington needs to make two phone calls to Tokyo. And the message has to be tough love.

As soon as the ruling Liberal Democratic Party chooses its new leader, President Bill Clinton needs to call the presumptive new prime minister. Noting that the press called

Ryutaro Hashimoto the Herbert Hoover of Japan, Mr. Clinton should advise the new Japanese leader that he can be Japan's Franklin Roosevelt.

To gain public confidence and to signal the end of business as usual, Mr. Clinton should advise the prime minister to give a "fireside" talk to the nation. The new Japanese leader should say that Japan faces its worst danger since 1945 and stress that the solution will require sacrifice, including large amounts of taxpayers' money.

Mr. Clinton must insist that this rhetoric be backed by a major new economic stimulus package. In a forthcoming study, Adam Posen of the Institute of International Economics recommends an infusion of 20 trillion yen, roughly 4 percent of the Japanese gross domestic product.

Much of the stimulus should come in the form of a cut or limitation in the scope of Ja-

pan's consumption tax. Exempting new housing or cars from the sales tax would ensure that money injected into the economy was actually spent and not just tucked under the futon.

Mr. Clinton must firmly reject the likely protest that Tokyo has already tried fiscal stimulus to no avail. In fact, the seven stimulus packages that Japan has undertaken in the 1990s delivered less than half their announced amount, averaging less than 0.6 percent of GDP. By comparison, in the last three decades major fiscal initiatives by other industrial nations in economic slumps have averaged 2.2 percent of GDP.

The second call should be from Federal Reserve Chairman Alan Greenspan to the head of the Bank of Japan. Mr. Greenspan should urge his counterpart to turn on the printing press to ward off deflation.

Moreover, Mr. Greenspan should insist on no delay in

cleaning up the more than \$600 billion in bad loans on Japanese banks' balance sheets. He should point out that financial markets are driven by symbolism and that the surest sign of change would be to let some big bank fail. Since Tokyo lacks sufficient auditors and bank inspectors, Mr. Greenspan should offer a bankers' Peace Corp. — foreign expertise — to help.

Then Mr. Greenspan should drop the boom, exercising the leverage necessary to ensure that his and the president's calls are taken seriously.

Citing his responsibility to protect American depositors in U.S. banks, which have great exposure to essentially bankrupt Japanese financial institutions through the interbank lending market, Mr. Greenspan should tell his counterpart that he has 30 days to clean up Japanese banks' balance sheets or the Fed will begin to restrict the ability of Japanese financial institutions to do

business in the United States. Such a threat would dramatically drive up Japanese banks' cost of borrowing globally, forcing Japan's economic elite to pressure the new leader to act.

These calls carry some risk. Leaning on Japan could cause international currency and stock markets to tank. But the gamble is not nearly as risky as it appears.

History suggests the new Japanese government will equivocate instead of taking bold action. And, if Japan fails in reverse course, the consensus on Wall Street is that the yen will inexorably weaken, slowly pulling down the rest of Asia and eventually America.

For the Clinton administration, not making these calls only delays the inevitable. Making them now might avoid the unimaginable.

The writer, a senior fellow at the Council on Foreign Relations, contributed this comment to the Herald Tribune.

America's Humiliating, Stubborn Performance in Rome

By Anthony Lewis

UMBERTIDE, Italy — When the Rome conference agreed on a charter for an international criminal court, after a month of tense debate, attention focused on the compromises and the politics. But what happened in Rome last week was more important than the details. I think it will be seen as a turn in the road of history.

An overwhelming number of countries embraced the principle that government leaders and their agents are to be personally accountable, at law, when they commit genocide or crimes against humanity. A permanent court will judge them.

The need for such a court in our age was movingly explained earlier this year by David Scheffer, the ambassador who led the U.S. delegation at the Rome conference.

"We live in a world following the Cold War," Mr. Scheffer said, "where mass killings, mass rapes and other atrocities are occurring with shocking frequency. The rule of law, which the United States has always championed, is at risk again of being trampled by war criminals whose only allegiance is to their own pursuit of power."

One cannot read those words now without a sense of irony and regret.

For the great disappointment at the Rome conference was the performance of the United

States. It fought to weaken the court, using hard-boiled tactics to try to bring American allies around to its position.

In the end the United States insisted on a vote — and was humiliated. The vote was 120 to 7 for the treaty without further amendment. America was in the company, on the losing side, of Iraq, Libya, Qatar, Yemen, China and Israel.

The United States has been a staunch supporter of the ad hoc war crimes tribunals for the former Yugoslavia and Rwanda — tribunals that are increasingly effective. How, then, did it end up in Rome in a tiny negative minority?

Mr. Scheffer argued that, as a superpower with forces around the world, the United States might become the target of political prosecutions.

If the court had existed during the Gulf War, for example, Iraq might have called for prosecution of American soldiers there.

The concern is fair enough. But the treaty as drafted goes very far to meet it. No case can be brought in the international court if there has been a genuine investigation and consideration of domestic prosecution by the country of the suspect's nationality. There are numerous procedural steps to delay or halt prosecutions.

The United States insisted that prosecution of a citizen of a state that has not signed and ratified the treaty be barred unless it consented. But others thought that would weaken the court's legitimacy. It would have prevented the prosecution of Saddam Hussein for war crimes his forces committed in Kuwait — unless he consented.

It was puzzling that the United States so misjudged the mood — the commitment — of its friends. Countries that have suffered from tyranny, among them Germany and Argentina and South Africa, spoke with special authority for a strong court. Canada and Britain played key roles.

The real reason for the U.S. position may have been Senator Jesse Helms, who said any

treaty exposing Americans even theoretically to such a court would be "dead on arrival" in the Senate. Perhaps so.

But a president with vision, and with a backbone, would not have let that undo America's championship of the rule of law.

President Bill Clinton had a great opportunity. His delegation won significant protections against frivolous prosecutions. He could have embraced the outcome in Rome as a victory for American principles — and then, if the Senate said "no," waited for time to bring us in. After all, it took 40 years for the Senate to ratify the convention against genocide.

As it was, American ideals were represented in Rome by such nongovernmental organizations as the Lawyers Committee for Human Rights and Human Rights Watch, whose arguments helped give the delegates the strength to stand up for a real court. Their spokesmen were said that the voice of the United States was muted.

American participation will be missed by the new court, which will take form after 60 countries ratify the treaty. But there is enough support from substantial countries to make it work. To be a real deterrent to barbarity, the court will need years to establish itself.

But so did the American constitutional system.

The New York Times.

A Shield Against Nuclear Blackmail

By William Safire

WASHINGTON — Imagine you are the next U.S. president and this crisis arises:

The starving army of North Korea launches an attack on South Korea, imperiling our 30,000 U.S. troops. You threaten massive air assault. Pyongyang counterthreatens to put a nuclear missile into Hawaii. You say that would cause you to obliterate North Korea; its understarved leaders dare you to make the trade. Decide.

Or this crisis: Saddam Hussein invades Saudi Arabia. You warn of Desert Storm II; he says he has a weapon of mass destruction on a ship near America and is ready to sacrifice Baghdad if you are ready to lose New York. Decide.

Or this: China, not now a rogue state, goes into an internal convulsion and an irrational warlord attacks Taiwan. You threaten to intervene; within 10 minutes, ICBMs are targeted on all major U.S. cities. Decide.

Before you do, remember this: In 1998, the CIA told your predecessor that it was highly unlikely that any rogue state "except possibly North Korea" would have a nuclear weapon capable of hitting any of the "contiguous 48 states" within 10 to 12 years. (That's some exception; apparently our strategic assessors are untroubled by the prospect of losing Pearl Harbor again.)

You have no missile defense in place. The CIA assured your predecessor you would have five years' warning about other nations' weapons development before you would have to deploy a missile defense.

But the CIA record of prediction is poor. President George Bush was assured that Saddam would have no nuclear capability for the next 10 years; when we went in after he invaded Kuwait, however, we discovered Iraq to be less than a year away. And India, despite our expensive satellite surveillance, surprised us with its recent explosion.

Six months ago, Congress decided to get a second opinion about our vulnerability. Donald Rumsfeld, a former defense secretary, was named to lead a bipartisan Commission to Assess the Ballistic Threat to the United States. Its nine members are former high government officials, military officers and scientists of unassailable credibility. Cleared for every national secret, these men with command experience had the advantage denied to compartmentalized CIA analysts.

The unclassified summary of this "Team B's" 300-page report was released last week and is a shocker. The direct threat to our population, it concluded, "is broader, more mature and evolving more rapidly than has been reported in estimates and reports by the intelligence community."

Not only are Iran and other terrorist states capable of producing a nuclear-tipped missile within five years of ordering it up; they are capable of skipping the testing and fine-tuning we have depended on as our cushion to get defenses up. That means, the commission concluded, the warning time the United States will have to develop and deploy

a missile defense is near zero.

Let's set aside our preoccupation with executive privileges and hospital lawsuits long enough to consider the consequences of Team B's judgment. The United States no longer has the luxury of several years to put up a missile defense, as we complacently believed. If we do not decide now to deploy a rudimentary shield, we run the risk of Iran or North Korea or Libya building or buying the weapon that will enable it to get the drop on us.

Mr. Rumsfeld's commission was charged only with assessing the new threat and not about what we should do to meet the danger.

Nine serious men concluded unanimously that our intelligence agencies, on which we spend \$27 billion a year, are egregiously misleading us. Smiling wilyly, the director of central intelligence, George Tenet, responded that "we need to keep challenging our assumptions."

Wrong; we need to defend ourselves from the likely prospect of surprise nuclear blackmail. A first step is Aegis, a naval theater defense (named after the goat-skin shield of Zeus). But that requires this president to redefine a 1972 treaty with the Soviets that he thinks requires us to remain forever naked to all our potential enemies.

The crisis is not likely to occur as Bill Clinton's sands run out. His successor will be the one to pay — in the coin of diplomatic paralysis caused by unconscionable unpreparedness — for this president's failure to heed Team B's timely warning in 1998.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Cuban Destiny

NEW YORK — That the Cuban insurgents may take the field in irregular warfare against the United States troops because of their chagrin at being debarré from the administration of Santiago has been foreseen. But when the Cubans begin to realize that the United States expeditions are primarily undertaken in the interests of the United States and not on behalf of the "reconcentrados," or to put them in possession of the island, they will have a clearer view of their destiny.

1923: Villa Is Killed

EL PASO — Francisco (Pancho) Villa has come to the end of his spectacular career, during which he defied the Mexican government and had the honor to have an American force invade Mexico for his capture — and return empty-handed. Villa

met his death during an uprising near his home. He had grown into the most formidable force in Mexico, first as a bandit raiding the rich rancheros and later as a serious contender for the rule of Mexico. He maintained always that he was acting only for the people, that they should have the land on which they toiled.

1948: Plan for Europe

THE HAGUE — The French delegation to the consultative council of the five Western Union states made here this afternoon [July 20] two of the most far-reaching proposals that have been heard in a long time at an international conference. It asked, first, for the creation of an all-European assembly, and it followed with a call for full economic union of the five Western Union countries, or any part of them. This was a double bid for steps to be taken toward the federation of Europe politically and economically.

Herald INTERNATIONAL Tribune

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OPINION/LETTERS

Stars, Bars and Hype:
Old Glory's Face-Lift

By Frank Rich

NEW YORK — A shopper at a Ralph Lauren Polo outlet store should only get a bargain as good as Ralph Lauren got in Washington.

For a mere \$13 million, given by his corporation, Mr. Lauren (net worth \$2 billion, according to Forbes magazine) last week received an avalanche of publicity that would cost far more in the open market, even if you could get it wholesale.

The \$13 million was a donation to the restoration of the original 185-year-old Star-Spangled Banner that hangs in the Smithsonian Institution's National Museum of American History. (The total cost of the restoration project is \$18 million. Americans should be grateful they are not also restoring the pole.)

For his beneficence, Mr. Lauren received around-the-clock cable news headlines wrapping him in the flag, laudatory newspaper articles nationwide and the first couple's testimonials for his products. Hillary Clinton praised Polo fashions — which are designed to make all shoppers feel like members of a restricted Anglophile country club — as the quintessence of "American style." President Bill Clinton chimed in: "You know, most of us have... well, maybe not most of us, but a lot of us, including Hillary and me... have these great Polo sweaters with the American flag on it."

Perhaps it was such presidential exuberance about cross-promoting those sweaters (\$165 to \$195 at Polo Sport on Madison Avenue) that prompted the Smithsonian's I. Michael Heyman to say, "We've been assured that this is a philanthropic gift and not a marketing gift."

This is reassuring news coming from a museum director whose reign has included his Air and Space Museum's exhibition promoting the movie "Star Wars." Still, assuming Mr. Lauren's motives are only the highest (his gift kicks off the first lady's laudable "Save America's Treasures" campaign for historic preservation), you have to wonder what Francis Scott Key would make of such other flag-adorned Polo products as Coolescence Body Spray, Gel Body Moisturizer and Fitness Fragrance. Does the "twilight's last gleaming" really require a deodorant?

Mr. Lauren was not alone in finding public relations profit in the flag this month in Washington.

A few days before his appearance with the Clintons, the Senate took time out from creating a loophole-ridden "patents" bill of rights to contemplate abridging the Bill of Rights that Americans already have with an amendment outlawing flag desecration. The centerpiece of the Senate hearings was testimony by Tommy Lasorda, the Los Angeles Dodgers' general manager, who recalled a traumatic flag-burning incident at Dodger Stadium, albeit in 1976.

Flag burnings have not exactly been the rage in the two decades since that dark day in National League history, but logic may have little to do with the push to wipe out flag desecration. Eric Foner, a Columbia University historian whose new book, "The Story of American Freedom," is due out this fall, says that "at most points in American history, people don't get riled up about the flag. It's there, it's fine, they respect it."

Congressional flag obsession in the 1990s, he notes, echoes what happened in the 1890s, when an outbreak of local flag protection laws was prompted by "a lot of immigration... and the fear of a loss of homogeneity in the country."

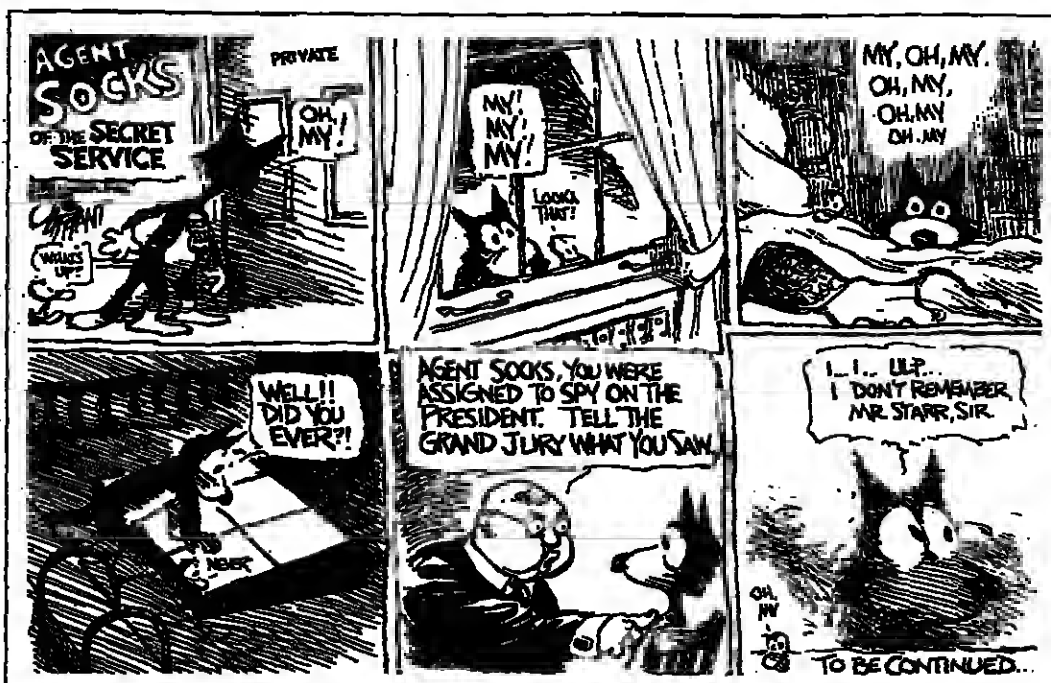
Mr. Foner, a scholar of Reconstruction, suggests that if Congress were really serious about flag desecration it might outlaw the Confederate flag, for "what symbolizes disrespect for the American flag more than display of the Confederate flag?"

Instead, Congress is pursuing a fast and loose constitutional amendment that could lead to the criminalization of Jasper Johns paintings, AT&T's stars-and-stripes cellular phones or, perhaps, of the Christian Coalition, whose members often don non-Polo flag-motif apparel at their annual conventions.

For Ralph Lauren, this law will be the proof that no good deed goes unpunished: No sooner is he celebrated for generously preserving the flag than he may find himself under arrest for desecrating it by plastering its image on a tube of body scrub. Is this American justice?

The designer Tommy Hilfiger, who has given not a dime to flag preservation and whose own logo knocks off Old Glory without reproducing it, will escape scot-free.

The New York Times



LETTERS TO THE EDITOR

American Ego Trip

Regarding "For a Bipartisan Policy of Principled Engagement With China" (Opinion, July 7) by James A. Baker 3d:

Mr. Baker says that the United States must "maintain a credible military presence in the Pacific to promote peace and stability and to guard against any other country's temptation to think in hegemonic terms."

Now if that is not an example of hegemonic thinking what is? Most U.S. foreign policy disasters — Vietnam, Lebanon and Somalia, to name just three — stem from such ego trips.

Unfortunately, this condescending attitude is not Mr. Baker's alone. He is merely echoing a sentiment accepted, and vigorously acted upon, in Washington's corridors of power since the introduction of the Monroe Doctrine in the early 19th century.

AHMED SHUMILY, Colombo, Sri Lanka

Curbing Small Arms

Regarding "U.S. Joins a World Call for Small-Arms Curb" (July 15):

Officials of 21 countries recently discussed ways to curb the trade in light weapons with nonstate actors. We represent nongovernmental organizations working to prevent the transfer of

light weapons to areas of violent conflict and welcome this initiative. We fear, however, that it addresses just one aspect of the problem.

Overt and covert transfers to abusive government forces still account for the lion's share of light weapons transactions. If this aspect of the arms trade is ignored, the lives of countless civilians — who are the true victims of today's conflicts — may be imperiled.

It is also worrisome that some governments are reportedly trying to keep nongovernmental organizations at arm's length in this process.

The Clinton administration in particular seems anxious to avoid a repeat of the partnership between governments and nongovernmental organizations that produced a ban on land mines. These tactics are not only isolating America but, by putting human lives at risk, may come back to haunt us all.

LORETTA BONDI and KATE JOSEPH, New York

AIDS Testing

Judith Kumin, the chief spokes-

man for the United Nations High Commissioner for Refugees ("Refugees and AIDS," Letters, July 17), states that mandatory testing for AIDS should not be pursued among refugees.

Israel has for years required testing of certain refugee groups from AIDS-prevalent regions, including all pregnant women.

Confidentiality has been preserved, and testing is carried out only after the refugees have become full citizens. All HIV-positive patients in these refugee groups are treated with the most modern medicines.

Israel has a low incidence of AIDS. Testing is obligatory in certain high-risk refugee groups because AIDS is now a treatable disease and is preventable in the newborns of HIV-positive women.

SANFORD F. KUVIN, Jerusalem

The writer is chairman of the international board of the Kuvin Center for the Study of Infectious and Tropical Diseases.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Killing The New Yorker
With Glitz and Gloss

By Jonathan Yardley

WASHINGTON — According to Harvey Weinstein, co-chairman of a Disney offshoot called Miramax Films, Tina Brown "creates the most interesting magazines, finds the hottest journalists and has her hand on the cultural Zeitgeist."

With those words Mr. Weinstein pledged his troth to Ms. Brown, who sashayed away from The New Yorker the week before

MEANWHILE

last and into the arms of Miramax, thus making official what had always been plain: that she is Hollywood to the core.

It says more than one may wish to contemplate that Tina Brown is now a prominent figure in American print journalism, not to mention that her departure from The New Yorker was reported at length and in language not far short of such ordinarily reserved for political upheavals or thermonuclear conflict.

It also says more than one may wish to contemplate that Mr. Weinstein probably is right: not about Ms. Brown's magazines, which are more banal and shallow than interesting, but about the hand with which she so unerringly locates and strokes the "cultural Zeitgeist."

Alas, the geist of this particular Zeit is glitz, glitter and gloss, with all of which Ms. Brown possesses an intimacy not seen since Jacqueline Susann went to her reward. Her Oxford education and British accent may lend her a patina of class, but at heart she is all show business and brittle trendiness, these being precisely the qualities out of which successful careers are now fashioned in the media.

Her move to Miramax and Hollywood is the logical and perhaps inevitable next step in a career that has been devoted in more or less equal measures to high-visibility journalism and self-promotion.

In England nearly two decades ago she made the Tatler into the talk of the town by refabricating it as a sleek, nasty gossip sheet. In the mid-'80s she crossed the Atlantic and applied much the same formula to Vanity Fair, which Coodé Nast had attempted to resuscitate with, therefore, disastrous results.

Then, six years ago, she moved to The New Yorker and embellished her éclat still further by

transforming what had once been the best of all American magazines into yet another slick, cheap rag.

The magazine she edited was The New Yorker in name only, though she retained some of its quirks of typography and design. It is true that its fiction, so celebrated in its heyday, had begun to languish long before her arrival. It is also true that she applied the kiss of death to it.

The much-touted summer fiction issues published during her tenure were far less occupied with fiction per se than with the novelist as celebrity and with the inner workings of the publishing trade. She managed to reduce fiction, as she did everything else, to gossip.

That Ms. Brown pulled this off without completely alienating the magazine's core readership is tribute not merely to her guile and

Tina Brown brought
the magazine down
to her level.

resourcefulness, which must never be underestimated, but to the deep attachment that readership feels toward The New Yorker.

Tina Brown did not destroy The New Yorker; that process, like the decline of its fiction, began well before she arrived and was the consequence of forces far beyond her, or anyone else's, control.

What she did do was trivialize it. Where once it had been the topic of and inspiration for serious conversation, it was never anything more elevated during her editorship than an instrument of, and a slave to, buzz. Under her aegis a magazine that had once possessed sufficient independence and integrity to tweak, even humiliate, the mighty bowed and scraped before them. It was, at its most candid, nothing more than a showbiz-Hollywood gossip sheet, which brought it precisely to Ms. Brown's level.

That is why it is difficult to feel anything except a measure of mean-spirited glee at the news of her departure. How can — and why should? — one mourn a magazine that bears no resemblance to its true, extinguished self? All things, like all creatures, have their day. The New Yorker's ended long ago.

The Washington Post

BOOKS

SIGHT READINGS:

American Fictions

By Elizabeth Hardwick. 284 pages. \$26. Random House. \$26.

Reviewed by Michiko Kakutani

OF John Updike's literary criticism, Elizabeth Hardwick writes: It "does not hug the shore but instead sails out in an open boat where his curiosity and great intelligence seem to sail on and on, wherever."

The same might well be said of Hardwick's own sprightly essays, collected, most recently, in "Sight Readings: American Fictions." Although most of these pieces were the result of arbitrary assignments from an assortment of publications, they are held together by the author's free-ranging, speculative intelligence and her flashing prose. Together, they provide the reader with a bright, breezy window on a century of American writing, from the novels of Edith Wharton and Henry James to the fiction of John Updike, Philip Roth and John Cheever.

Discursive in form, meditative in mood, these essays tend to meander around their subjects, as Hardwick amplifies her observations with historical analogies, personal asides and sharp aperçus. She writes with an ample knowledge of literature, scripture and pop culture, and she uses that knowledge to illuminate her subjects with witty, unexpected analogies that make her points

with panache. She can also be very funny. Mary McCarthy's thinly veiled fictional portraits of her former husband Edmund Wilson, Hardwick wryly observes, were disguised "on the order of sunglasses."

Hardwick describes such Updike sex romps as "The Witches of Eastwick" and "Couple's" as Restoration comedies, full of "loose-girdled ladies, toffs, lecherous squires" and bawdy theatrics. She suggests that Philip Roth's novel "Operation Shylock" grapples with charges that he has defamed the Jews, allowing us to think of him as a kind of "Richard Jewell, falsely accused in the 1996 Olympic bombing in Atlanta." She compares Gertrude Stein's demanding, repetitious oeuvre to that of Philip Glass.

Her sketches of the writers themselves can be equally entertaining — and telling. Stein is described as being a "tough root" native to the Old World, while Cheever is depicted as an "Episcopalian anarchist" who "existed lifelong in captivity imposed by the complications of his nature, his masks, his loyalties and the protection of his talent." Of Edith Wharton, Hardwick writes: "In her fineness and talent, her glamour and worldliness, she shares in some of the renewed affection for the threatened New York City architecture of the Beaux-Arts period."

Herself a native of Kentucky, Hardwick is keenly attuned to the crucial role that place — the place where a writer spent his formative years, the place that first imprinted his imagination — plays in

shaping an artist's work. She describes Margaret Fuller as "a sort of stepchild, formed and deformed" by the rarefied intellectual world of Concord and Boston, an intellectual landscape unsuitable "not only to the fact that she was a woman who had to earn her living but to her nature."

She argues that the so-called Prairie Poets, Carl Sandburg, Vachel Lindsay and Edgar Lee Masters, were indelibly marked by "birth or youth in Illinois, which left them with proprietary feelings about the country, a longing to transform its 'restless genetic material' into 'a hardy stock with the name 'American' on it, like a packet of sunflower seeds.'"

Most of these essays, for that matter, underscore Hardwick's interest in the connections between an artist's work and life, and the disparity between that life and the "life" so often depicted by biographers, a species of writer Hardwick describes, with some distaste, as "the quick in pursuit of the dead."

Although Hardwick's own essays are not blind to the "paths of autobiography lurking" in a text, they are sophisticated in their understanding of the alchemical, imaginative transactions of art and the importance of style and craft. Indeed, Hardwick reveals herself as a shrewd, tough-minded critic, adept at both deconstructing the delicate clockwork mechanisms that lie behind the polished face of a writer's work and giving the reader a fiercely tactile feeling for his prose.

The New York Times

CHESS

By Robert Byrne

AN unusual type of "partner" chess was organized by Garry Kasparov in Leon, Spain, in June. A human, himself, Kasparov, teamed up with a computer against another human, the Bulgarian grandmaster Veselin Topalov, along with grandmaster computer, for what Kasparov termed a match of "Advanced Chess."

After the six-game period finished in a 3-3 tie, the four-game tiebreak games began. The players were not permitted to use their machines in the tiebreak. Kasparov, as Black, won the final game. His margin of victory was 5 1/2-4 1/2.

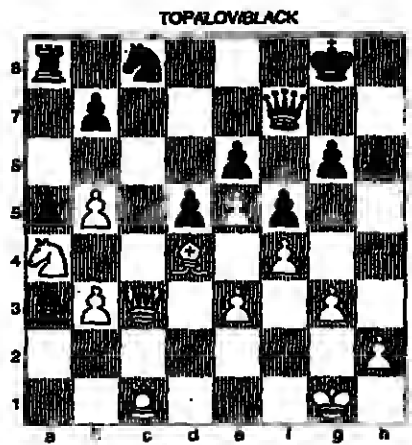
In regulation Game 2, Kasparov played

a sedate queenside opening, as he did throughout this match, smashing through when Topalov and his machine overlooked a lethal combination.

After 6...d5, the game became a Neogruenfeld Defense, disputing whether the black center pawn would curb the latent power of White's fianchettoed king bishop. Exchanging pawns with 7 cd cd prevents Black from later exchanging with...dc and counterattacking with...c5 at an opportune moment; it also brings about a symmetrical position in which White counts on finding a way to exploit the slight advantage of the first move.

In solidifying his center with 8...e6, Black prepares for 9...Nf7 to challenge the intruder knight at e5. He does not carry out this plan directly with 9...Nc6 because 10 Nc6 be 11 Nc4 creates a backward c6 pawn. Once White is provoked to play 10...Nc6 because 11 Nc6 be 12 Na4 Qa5 followed by 13...Ba6 gives him active play, whereas the white queen bishop is not effective.

After 10...Nc6 11 Be3 f6 12 Nf3 f5 13 Ne5 Nb6, Kasparov did not sideline his queen bishop but used 14 b3! to keep a black knight from going to c4. Kasparov's 16 Bc1! was not an easy move to cope with. Maybe Topalov should have tried 16...Nb4 17 Qd2 a5, but after 18 a3 Nc6 19 a4 Re8 20 Ba3 Bf8 21 Bf8 Rf8 22 Rf1, White has the advantage. In any case, Topalov's 16...Nc5?! gave his opponent a serious



Position after 23...Ba3

superiority in space after 17 de. After 26 Na4 Rcl 27 Rcl, Kasparov had taken over the c file, the only open file on the board.

After 33 Na4, the black position was a mess. Neither Topalov nor his computer fathomed the terrible trouble facing them. Otherwise, how can the egregious blunder, 33...Ba3?, be explained? Kasparov put him out of his pain with 34 Qc8! Rcl 35 Rc8.

After 35...Kh7 36 b6!, Topalov had no defense. Thus, 36...Be7 37 Be5 Be5 38 Nc5 sets up the unstoppable 39 Rc7. Topalov gave up.

GRUENFELD DEFENSE			
White	Black	White	Black
1 d4	Nf6	19 Rf1	Qa5
2 Nc3	g5	20 a3	Bf8
3 c4	Bg7	21 Bd4	Bf8
4 g3	0-0	22 e3	Qd8
5 Bg2	cd	23 Qd2	Qd8
6 Nc3	cd	24 Bf1	Rc7
7 cd	cd	25 Qd2	Rc6
8 Ne5	e6	26 Na4	Rcl
9 d4	Nd7	27 Rcl	Bc8
10 f4	Nc6	28 Ne5	Ce8
11 Be3	f6	29 Qc3	Qf7
12 Nf3	f5	30 Bb5	Bb5
13 Ne5	Nb6	31 ab	Re8
14 b3	Bd7	32 ab	Re8
15 Qd3	Nc8	33 Na4	Ba3
16 Bc1	Ne5	34 Qc8	Rb7
17 de	Rf7	35 Bc8	Rb7
18 Ba3	Bc5		Resigns

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INTERNATIONAL

Investigators of Rapes During Indonesia Riots Report Threats

By Seth Mydans
New York Times Service

JAKARTA — Human rights workers who are investigating scores of organized gang rapes during three days of rioting here in May say they and the victims have been receiving threats from unidentified men.

In interviews, the investigators said they had confirmed the rapes of 168 women during the riots, of whom 20 died during or after the assaults. They said they presumed that many other women had either fled the city or were too traumatized to report their rapes.

Some victims have been cowed into silence by threats or by rumors of another round of attacks and rapes, the investigators said. Some have committed suicide.

INDONESIA:
Keeping Pupils in School

Continued from Page 1

at least 20 percent of all pupils have dropped out in the past year because their parents or guardians could no longer afford to keep them in school.

Mr. Sudarsono, a former dean of the Faculty of Social and Political Science at the University of Indonesia, says he fears that this number will grow apace with joblessness and poverty, creating an army of illiterate or semilliterate malcontents who will be unqualified for decent jobs even when the economy recovers.

"I want to prevent a lost generation of young Indonesians," Mr. Sudarsono said in an interview. "They could be deprived of their opportunity to get ahead through education."

In response to the problem, the government has turned to the World Bank and the Asian Development Bank for assistance. The result is a scholarship and school aid program, funded by both banks at a cost of \$390 million, that is supposed to assist an estimated 25 million Indonesian schoolchildren over the next five years.

"The World Bank and ADB loans provide us with a rescue program which will decrease the number of dropouts substantially, although it certainly won't solve the problem," Mr. Sudarsono said.

In the Indonesian system, primary schools enroll children from age 7 to 12. The next level covers pupils from age 13 to 15. Mr. Ilyas, the laid-off dock worker, has three children at this level.

Mr. Sudarsono's main focus is on this

The rights workers said they had heard reports of additional rapes and sexual assaults in the weeks after the riots.

Most of the attacks, like most of the looting and arson, were directed against the ethnic Chinese minority, which often becomes a scapegoat in times of conflict or hardship in Indonesia.

The human rights workers said their continuing investigation had reinforced their belief that the rapes, including some of girls as young as 9, had been organized and coordinated in the same way as much of the looting and arson.

Nearly 1,200 lives were lost in Jakarta in the May 13-15 riots, which led to President Suharto's resignation May 21, after 32 years in power. Most of those who died were looters trapped inside large department

stores that were set on fire by arsonists.

A growing body of reports from witnesses has confirmed that many of the attacks on property and residents, including the rapes, were instigated or carried out by organized groups of up to a dozen men. These groups traveled the city in vehicles, inciting crowds to violence, according to reports released by the government's National Commission for Human Rights and the Jakarta Social Institute, a private Roman Catholic charity that is investigating the riots.

Suspicion has fallen on the military or other security forces, particularly after the military acknowledged last week that members of its special forces had been involved in kidnappings of opposition activists in the weeks before the riots.

On Friday, about 100 women demonstrated outside the Defense Ministry, demanding that the military take responsibility for the rapes. They displayed a poster depicting troops sexually assaulting women and held up a banner that read, "Indonesia! Republic of Fear, Republic of Terror, Republic of Rape!"

The threats against workers at women's crisis centers and against some victims who have called the centers also indicate the involvement of people able to monitor the organizations and their telephone lines, said Ita Nadia, an organizer of Volunteers for Humanity, a private aid group.

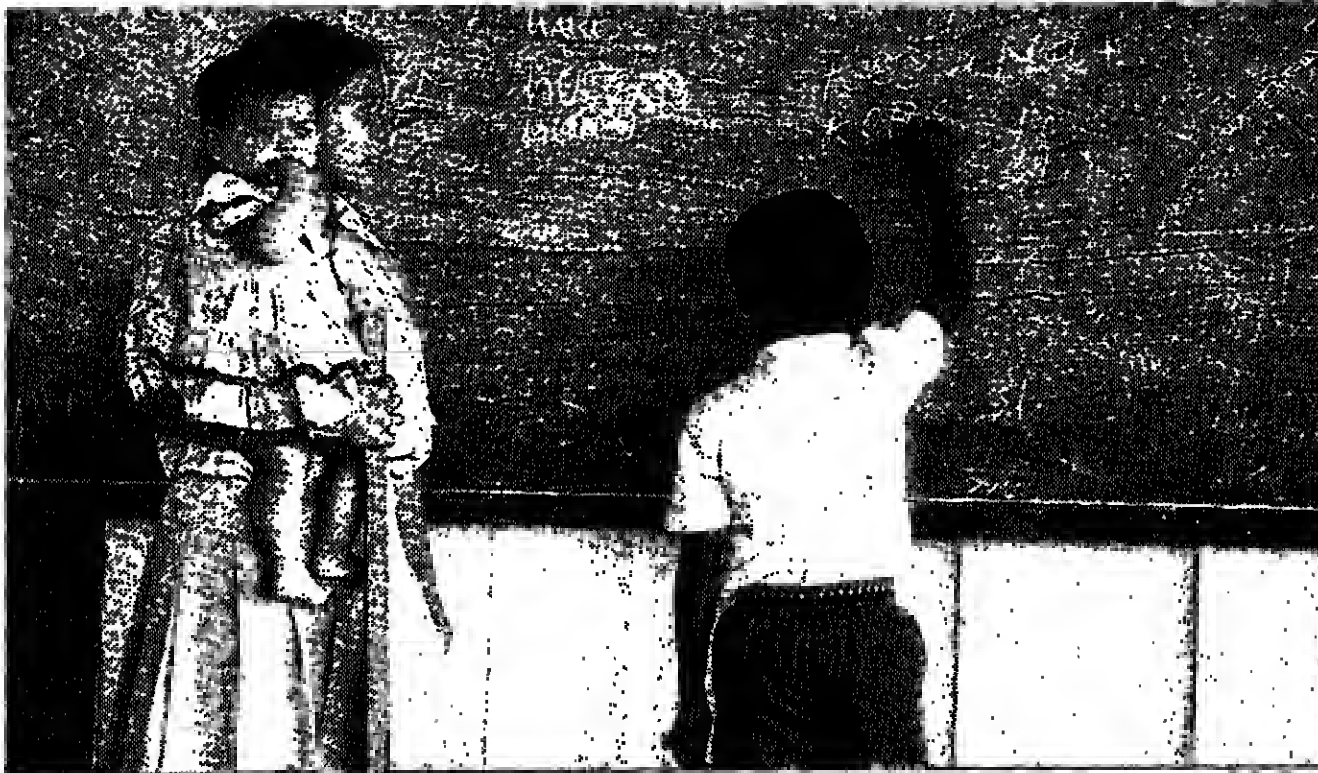
"We have received telephone calls and anonymous letters terrorizing our workers," she said. "They say they will

rape the females and castrate the males."

The Reverend Sandayawan Sumardi, who heads the private Jakarta Social Institute, said he had also received threats. In addition, he said, threats have been made against witnesses, family members and hospital workers who treated the victims.

Because of fears that security forces are involved, victims have avoided reporting the rapes to police, said Kamala Chandrakana, a spokeswoman for Ms. Ita's group, which has up to 300 volunteers.

At first the government seemed to doubt the growing reports of rapes, but after meeting with 25 officials from women's groups this month, President B.J. Habibie set up a task force to study their reports. He issued a statement condemning "this inhuman episode in the history of our nation."



A teacher holding her own baby as a pupil writes on the blackboard in a primary school in Kalimantan, Indonesia.

level because children of this age are considered most vulnerable to dropout pressures. Fourteen is the legal age for employment.

"As costs for so many things go up, everyone in this district is feeling the effects of inflation and economic hardship,"

said Nana Hermawan, the Banjar Dua school principal. "People here are giving education lower priority than other things, like food, which they see as essential."

One of the country's most popular actors, Rano Karno, and members of his "family" in their television and film series

were recruited to publicize the government's campaign against dropping out. Their messages have been appearing regularly on television, radio and in newspapers.

Mr. Sudarsono said he expected some pupils to begin getting aid next month.

Youngest Candidate
For Prime Minister
Leads Poll in Japan

Reuters

TOKYO — Health Minister Junichiro Koizumi, Japan's youngest contender to be prime minister, is the public's favorite choice for the post, according to an opinion poll showed Monday.

But in a possibly more significant finding, the poll showed that the veteran politician Seiroku Kajiyama, 72, is the top choice of supporters of the Liberal Democratic Party, top members of which will make the decision Friday.

Foreign Minister Keizo Obuchi, 61, once front-runner in the race to replace Prime Minister Ryutaro Hashimoto, was last among the public at large and tied with Mr. Koizumi, 56, among Liberal Democratic supporters.

The survey by the national television network Tokyo Broadcasting System was the first sizable opinion poll on who should be prime minister since Mr. Obuchi, Mr. Kajiyama and Mr. Koizumi announced their candidacies.

Despite his good showing with the public in opinion polls, most analysts said they expected Mr. Koizumi to be the first candidate knocked out when it comes time for the faction-ridden party to vote.

The analysts said the health minister did not have the deep support in the party of his older candidates. They expect the final battle to be between Mr. Obuchi and Mr. Kajiyama.

Mr. Hashimoto is quitting because of the Liberal Democrats' stunning setback in elections July 12.

JAPAN: Good Rulers and Bad Rulers, but Very Few Strong Leaders

Continued from Page 1

doing what Japanese leaders always do: holding endless meetings and discussing alternatives and hashing out a course of action that has general support.

Indeed, there is some evidence that in the Japanese political culture, that process may be more effective than U.S.-style arm-twisting or grandstanding. While Mr. Hashimoto was mocked in the West for a lack of leadership because he never seemed able to get anything done, by some accounts his problem was that he was too much of a leader for Japanese society: He annoyed people and therefore could not get their cooperation to carry out policies.

"One reason why Hashimoto was not so liked in the party or outside it was that he didn't listen enough," one senior government official said. "When we went to brief him, he was argumentative and said things like, 'I think you're wrong.'"

Speaking of former Prime Minister Noboru Takeshita, who retains far-reach-

ing influence, the official added: "But when we saw Takeshita, he would say: 'Thank you very much. That's so helpful.' Then the bureaucrats feel satisfied and they give Takeshita full cooperation."

One of the few postwar prime ministers other than Mr. Yoshida who was a strong and forceful leader was Yasuhiro Nakasone, who governed from 1982 to 1987, although his strength was more visible in his style than in any results he achieved. Mr. Nakasone was quite popular among Americans, but he remains disliked by many Japanese, who criticize him as pushy, arrogant and self-centered.

Likewise, in recent years one of the most forceful and visionary politicians has been Ichiro Ozawa, now leader of the Liberal Party. Mr. Ozawa has been widely hailed in the United States as a symbol of a new breed of Japanese leader. But within Japan he has very little support.

"There must be something about the Japanese character that dislikes explicit displays of power," said Takashi Oka, a

former aide to Mr. Ozawa who is now writing a book about the travails of the reform movement in Japan. "You don't have real political leadership here."

The natural place for politicians to develop their leadership skills is in a parliamentary system is the cabinet. But in Japan, cabinet ministers are mostly rubber stamps who are not really expected to do anything but back up the ministry's bureaucrats in Parliament.

Even more than prime ministers, the cabinet members are figureheads whose only preparation is years of political machinations building seniority in Parliament. That leaves them unprepared to take charge of their ministries.

"It's terribly hard for them to manage the job they are given," said Kiichi Miyazawa, a former prime minister who is unusual in that he has unquestioned expertise in economic issues. "Their basic knowledge is inadequate, I would say, to carry out day-to-day duties as cabinet ministers."

HONG KONG: Recession at Hand as Jobless Rate Hits 15-Year High

Continued from Page 1

would be handing it back to China in 1997. The economy became so unstable that the government at that time decided to fix the Hong Kong dollar to the U.S. dollar to provide stability.

This year, the problem is less rooted in politics. High interest rates, in place to protect the fixed exchange rate, have battered the economy. Property prices are down 50 percent from a little more than a year ago, depressing personal wealth and causing retail sales to plunge.

Last month, Daimaru, a Japanese department store, announced that it would be

closing its doors after 38 years in Hong Kong. Earlier this year, one of the city's biggest bakery chains closed its doors, and 400 people lost their jobs.

Among the hardest hit sectors has been financial services, as stock brokerages have released scores of employees to compensate for a 50 percent drop in the stock market since last October. In the first quarter of this year, employment in finance, insurance and property fell by 3.8 percent compared with the fourth quarter of 1997.

The economic slump has already taken a toll on the Hong Kong stock market, the largest in Asia after Tokyo. So far this year, the All Ordinaries index has tumbled about

28 percent. On Monday, the narrower Hang Seng index of 33 stocks fell 1.57 percent, its biggest decline in a week.

With Asian economies depressed and other countries in the region offering much cheaper hotel and food prices because of their weaker currencies, tourist arrivals in Hong Kong have also plummeted, and hotels have dismissed staff members.

Economists have estimated that if unemployment reached 6 percent, banks would run the risk of substantially higher defaults on mortgages. Hong Kong imposes some of the lowest income taxes in the world, but residents pay the world's highest prices for real estate.

CROSSWORD

ACROSS

- 1 Artist Chagall
5 Words to live by
10 Kind of liquor
14 Coloratura's piece
15 Units to be subdivided
16 vera
17 Water source
18 Financial wherewithal
19 Storm
20 Supermarket tabloid subject #1
23 Fifty-fifty
24 Hosp.

DOWN

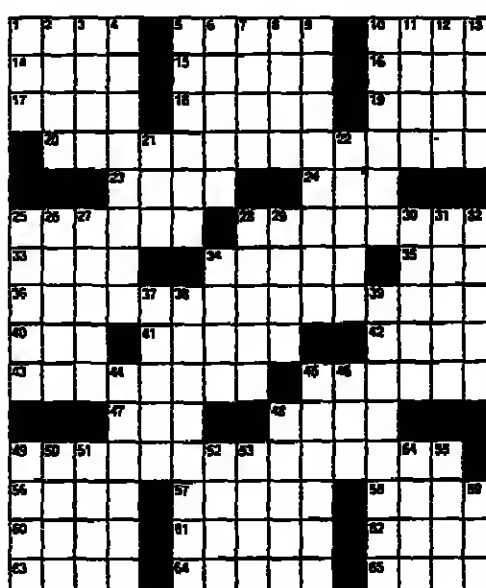
- 23 Like marble
25 Like Charlie Chan
33 Research facility. Abbr.
34 Policy position
35 Gardner of "Snow Boat"
38 Supermarket tabloid subject #2
40 Coach
41 Parsheghan
42 E. Judds
43 "Stat!"
45 Cars that are in the shop a lot
47 Hate grip
48 Donaldson and others

DOWN

- 1 Gullet
2 Geometrician's figuring
3 Brook
4 Hot, in Jatisco
5 "Out. — spot!"
6 Lady Macbeth
7 Darn
8 Not checking to make sure
9 1990's Fox sitcom
10 1990's Fox sitcom
11 Jai
12 Nike's swoosh, for one
13 Popular youth magazine

DOWN

- 21 Woman in a garden
22 Words to live by
23 Goldsmith's "The — of Walsfield"
24 Start of a new era
25 Faith of five million Americans
26 Playful animal
27 Beams
28 Renaissance Italian poet
29 Birdlike
30 Reindeer
31 Judge, with "up"
32 Knocks on the roggin'
33 Elton John or Mick Jagger
34 Three-time Masters champ
35 Live some arms
36 Soap (up)
37 Record label
38 Classic 1953
39 Isle of ante
40 Reed and Costello
41 Electric unit
42 Seat of Allen County, Kan
43 Sprout



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Solution to Puzzle of July 20

ACROSS
1 ARTIST CHAGALL
5 WORDS TO LIVE BY
10 KIND OF LIQUOR
14 COLORATURA'S PIECE
15 UNITS TO BE SUBDIVIDED
16 VERA
17 WATER SOURCE
18 FINANCIAL WHEREWITHAL
19 STORM
20 SUPERMARKET TABLOID SUBJECT #1
23 FIFTY-FIFTY
24 HOSP.

DOWN
23 LIKE MARBLE
25 LIKE CHARLIE CHAN
33 RESEARCH FACILITY. ABBR.
34 POLICY POSITION
35 GARDNER OF "SNOW BOAT"
38 SUPERMARKET TABLOID SUBJECT #2
40 COACH
41 PARSHEGHAN
42 E. JUDD
43 "STAT!"
45 CARS THAT ARE IN THE SHOP A LOT
47 HATE GRIP
48 DONALDSON AND OTHERS

GUATEMALA: Grisly Evidence of Atrocities

Continued from Page 1

know what happened so we can try to avoid its ever happening again," he said.

While limited exhumations of mass graves and burial pits began in 1991, the scope and intensity of the operations has surged since the government and leftist guerrillas agreed to a formal peace that included the formation of the Commission for Historical Clarification to catalogue war abuses.

As it is, three teams of forensic anthropologists — medical examiners of the dead — lack the manpower and money to respond to more than a small fraction of the requests they receive to unearth potential sites, the organizations' leaders said.

"If graves were mines, we would be afraid to walk in Guatemala," said Mr. Pecorelli, whose team has excavated 37 grave sites among the hundreds of clandestine cemeteries that he and others say exist throughout the country. As a child, Mr. Pecorelli was one of the tens of thousands of Guatemalans who fled during the war. Raised in the Bronx, he had graduated from college with a degree in anthropology when he happened upon a seminar about the excavations. In 1995 — 15 years after he left home — Mr. Pecorelli returned to help uncover the past.

The exhumations and their scientific confirmations of wartime atrocities have been politically explosive in a nation where many of these responsible for the wartime abuses remain in powerful positions in the government or the military.

Although military and paramilitary forces are blamed for most of the civilian murders and massacres, anthropology teams have uncovered the graves of victims of guerrillas as well.

When anthropologists began their exhumations, army officials declared the skeletons the victims of earthquakes. Guatemalan newspapers published no stories about their work. But, as the crowds swelled at the excavation sites and more villagers told their horrific stories, the nation took notice.

"When you've hidden secrets for years and years, the truth is going to heal your wounds," said Karen Fischer, one of Guatemala's leading human rights activists. "But it will take time; it won't be easy."

The Guatemalan Army still refuses to discuss the findings and has been criticized for not turning over larger and more significant volumes of documents to the Commission for Historical Clarification, which is compiling a report scheduled to be completed this year.

Hector Mauricio Lopez Bonilla, a retired lieutenant colonel who is now working as a private business consultant and newspaper columnist, is one of the few military officials who have been willing to address the atrocities. He blames them on individual field commanders and units fighting a war in which "the entire populations of villages were involved" in protecting or supporting rebels.

But, he added, while the circumstances of the war may "explain why events occurred, that does not justify them."

BRIEFLY

Massacre Toll Rises To 17 in Algeria

ALGIERS — The death toll in Algeria's latest massacre rose to 17, bringing to at least 90 the number of people killed in six days of violence, a local daily said Monday.

Le Matin, quoting pro-government militia members, said that Muslim rebels cut the throats or hacked to death 17 villagers Saturday night when they raided Rebia hamlet in Meadea Province, 70 kilometers (45 miles) south of Algiers.

The government security forces had put the death toll at 11.

Le Matin also reported that scores of civilians were wounded Sunday when two bombs exploded in the coastal province of Tipaza, 60 kilometers west of Algiers. (Reuters)

Yemen Says Saudis Shelled an Island

SAN'A — President Ali Abdullah Saleh on Monday accused Saudi Arabia of attacking a Yemeni island in the Red Sea with long-range artillery, killing three people.

Nine Saudi naval vessels took part in the aggression with long-range artillery that resulted in the death of three Yemenis and wounding of nine, he said at a news conference in San'a.

Yemen will not be dragged into a war with Saudi Arabia, General Saleh said. He said Foreign Minister Abdul-Qadir Bajamal would fly to Saudi Arabia to discuss the issue.

Saudi-Yemeni tensions over a long-standing border dispute have increased recently. (Reuters)

Quito Mayor Wins Ecuador Runoff

QUITO, Ecuador — Mayor Jamil Mahuad of Quito has won Ecuador's presidential runoff, election officials announced, confirming preliminary results.

Mr. Mahuad received 51 percent of the vote in the July 12 election, compared to 49 percent for the populist Alvaro Noboa, the Supreme Electoral Tribunal said Sunday.

The announcement ended seven days of tension during which both candidates had claimed victory. Mr. Mahuad began meeting officials to form his government.

Mr. Noboa told reporters Sunday he would not recognize Mr. Mahuad's victory and repeated his call for officials to recount the votes in his home province of Guayas, on Ecuador's Pacific coast. (AP)

For the Record

An Iranian court will announce its verdict Thursday in the graft trial of Tehran's suspended mayor, Gholamhossein Karbaschi, a court official said Monday. The mayor was tried on embezzlement and mismanagement charges by Iran's conservative-led judiciary. (Reuters)

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Galliano's Diorient Express Runs Out of Steam



From left: Valentino's abstract-pattern, lattice evening dress; Henry VIII meets chinoiserie on Galliano's Diorient Express; Ungaro's unlined coat over cropped pants and lacy top.

By Suzy Menkes
International Herald Tribune

PARIS — In a puff of steam, the train disgorged its cargo of models — a flash of claret velvet there, the clothes trailing through golden sand on the floor, skirts ballooning like the sleeves on Henry VIII's doublet.

The backdrop was the Austerlitz train station, piled high with Louis Vuitton trunks, where the audience sizzled beneath palm trees and Moroccan tents, waiting for a bunch of be-feathered American Indians to steer in the exotically named Diorient Express.

This was a romantic train from the steam

age that, judging by its hourlong delay, had trouble moving forward. And that just about summed up John Galliano's fall-winter couture collection.

Just when you hoped that the wildly imaginative designer might take Dior toward the millennium, you find him shunting backward into history. Whoa there! Stop! Where are we? Somewhere in the 17th century alongside yet another unlikely fashion heroine: Princess Pocahontas, who marries an Englishman and dons embroidered doekskin for lace collars, Holbein hats and Renaissance gowns.

Oh dear! Haven't we been here before with Galliano — delirious mixes of place and time that make his shows into magnificent but essentially ridiculous time-travel costume parties?

"Traveling through geographical and historical boundaries," Galliano said to explain the show that had some exquisite effects, from the leather worked into cut-and-slash mini bloomers, to the swishing coats appliqued with Tudor motifs and matching thigh-high boots.

The embroiderer Francois Lesage said that one outfit took 2,000 hours of work, and was the most expensive couture piece he had ever made. The program notes explained silken threads, laid on jute, and described the floral brocade linings to dramatic coats, trimmed with ginger fur.

But what was in there for the 20th century (let alone the 21st)? A couple of long, plain black dresses, caressing the body, would make superb formal dinner gowns. Clients could do something with brocade jackets and change the bulbous hemlines. Strictly for show were a tribal tapestry coat that would cost a fortune in excess bag-

gage, delicate Chinese embroideries in cloisonné colors and a huge white dress, perforated as if by bird peckings.

Why does Galliano so stubbornly refuse to meet his clients halfway? His shows are wondrous in their way. But the train seemed an ominous metaphor for a design talent that seems to be running out of steam.

Valentino knows a thing or two about travel for today's Concorde classes. His show may have been heavy on the decoration, but it was light and aerodynamic in its simple, straight lines and cyber-colors.

"Modern glamour and a new couture that is casual and relaxing," Valentino said backstage, adding that cashmere and precious fabrics were the height of unshowy, modern luxury and that he expected the cardigan coats to be worn with jeans.

There was a geometric feel to the straight knitted coats, the boxy two pieces with pin-tucked bodices, the slender over-the-knee skirts and the purses so slim and flat that only a credit card would squeeze in.

To that, Valentino added an airy elegance with laces. They came as abstract, openwork patches on the linear dresses or even as a crisscross of piping across the bosom. Latticed hand-warmers added more mesh effects.

But the general feel was easy — rectangular clothes, cut away from the body — and modernist, with a palette of white, gray and mineral colors, shot with silver and titanium and with abstract art touches. The only bright color came in one fiery red dress at the end, but a gray coat mixing flannel and satin played with mat and shine.

As so often with Valentino, it was a bit much, what with snowy mink or chinchilla collars, lacy tops, crystal embroideries and

a gray cashmere cardigan cabled with sequined ribbons. But there was a genuine change in the silhouette from curvy and flirty to modern and linear.

The clothes were also wonderfully well crafted, especially when the designer showed slim patchworks of panne velvet skirts and held back on the artsy embroideries. One plain white evening dress, with silver filament embroideries inset at the sides and a tiny feathered bolero, proved that Valentino can be utterly simple and refined.

And those front-row ladies, wearing parures of jewelry at the cocktail hour show, lapped it up, with Princess Firyal of Jordan calling it "simply sumptuous," Isabel Goldsmith describing it as "going perfectly with the saloon" and Susan Gutfreund, who singled out the white dress, calling it "sexy and beautiful."

EVERY designer needs a muse and Emanuel Ungaro has found one in Sharon Stone. The sleek and sensual Hollywood star will be dressed by Ungaro for a new Albert Brooks movie, "The Muse." Maybe that is why the designer brought his couture collection into the daylight and infiltrated it with a casual West Coast attitude. Although the fabrics and details were still fancy, the show had a lightness and ease.

With no traditional suits (all but eradicated this couture season), Ungaro showed cardigan-jackets, extravagantly worked in lace-encrusted tulle but featherlight. With their west cropped pants — one of those tricks designers try to be different, although you know that all the front-row clients from the French press

Fanny Ardant through Isabelle d'Ornano will order regular-length pants to slip under a light mohair coat.

What else is a gal to wear to lunch? Maybe Ungaro's loog dresses draped softly to one side, in the jersey that he sculpts like cloth.

But these were really clothes for a California climate. Narrow evening dresses were just wisps of lace and chiffon, worn with rivulets of tiny beads and perhaps decorated with random tufts of feather.

In its quiet colors (the mix-and-match patterns banished) and ultra-delicate workmanship, the show was pretty and discreet. Ungaro showed his softer side.

Yet there was something surreal about seeing what are mostly evening and cocktail clothes in the sunlight filtering through the glass dome of the Paris fine art school. What might have seemed subdued in night light still seemed very fancy in the bright light of day.

Why is it that when young designers debut at established houses they always seem to have their eyes on past glories? The finale of Stephane Rolland's show for Jean-Louis Scherrer was rich and dramatic — a swishing coat inspired by Watteau's art and with hand-painted figures on the back.

There ought, at the dawn of a new century, to be a less traditional way to make the audience applaud than to show high-art fashion and see-through dresses.

But Rolland at least had a clear thread running through his show. Elegant tweed coats with gathered or cape backs, a chic black velvet dress with pleats fanning out at the backbone and evening gowns sculpted from the shoulders after Zurbaran and Watteau all focused on a great exit line.



Rolland's painted gown at Scherrer.

On the Scent: A New Lacroix?

By Suzy Menkes
International Herald Tribune

PARIS — In a move that will stun the fragrance industry, LVMH Moët Hennessy Louis Vuitton is considering developing a perfume for Christian Lacroix with Clarins, the French beauty and skin-care house that is a rival to its own group.

Patrick Chabal, president of the perfume and cosmetic branch of LVMH, confirmed Monday that an initial development project was under discussion, but said that no decision had been made and that it was "not excluded" that LVMH itself would handle the fragrance, which was set to be launched in the fall of 1999. This would be the first Lacroix fragrance since C'est la Vie in 1990, which flopped.

Jean-Jacques Picart of Lacroix said that a proposal had been made to other perfume companies that might be well suited to handling a so-called "niche" fragrance, although he declined to discuss possible partners. But Mariano Puig, whose Spanish perfume company bought Nina Ricci, said Monday that he had been contacted.

A Paris beauty executive who chose not to be named said that talks with Clarins were serious and would resume after the Lacroix couture show on Tuesday.

Serge Rosinoer, chief executive of Clarins, could not be reached for comment Monday, but Vera Strubi, president of Mugler fragrances, which is owned by Clarins, said she knew about the discussions.

"If there is an opportunity here, we are going to seize it because we are always looking for designers who haven't got a fragrance," Strubi said. "At the moment, nothing is concrete, but I know LVMH is looking about."

Clarins currently has three designer fragrances: Mugler, Claude Montana and Loris Azzaro. Significantly, Clarins bought outright the house of Thierry Mugler in 1997, after successfully developing a perfume with Mugler.

The industry executive said that it was inconceivable that LVMH would run the house of Lacroix yet farm out the fragrance, and that approaching other houses could be the only mean testing the water for an eventual sale of the house that was founded in 1987 by Bernard Arnault, president of LVMH.

Picart denied that this was the case. At the Dior show Monday, Arnault himself said only that various research projects were going on about the Lacroix perfume.

"I am not au courant with anything to do with Clarins," he said. "If we do a Lacroix fragrance, it will be as who do it — but it is not at all certain at this stage that we will."



From left: Jean Paul Gaultier's sweater with embroidered beads; Givenchy's feathery fronds; Abraham's hand-painted African motif.

Designers Dwell on Breathtaking Details

International Herald Tribune

PARIS — It is the detailed workmanship more than changes of silhouette that now distinguishes couture from ready-to-wear.

Even though some of the younger designers look like they have been let loose in a candy store of outé accessories, the effects are often breathtaking — nowhere more than at the Givenchy show, where

the legendary plumerie Andre Lemarie made not just the sprouting feathers but also artificial foliage. That was used to make dramatic capes and collars in fabric given feathery effects.

Jean Paul Gaultier's sporty couture was enhanced with embroidery that traced folklore patterns on sweaters and plaid on kilt skirts — overturning the concept of beading as evening wear.

For Abraham Pelham, a Liberian-born designer fulfilling a lifetime dream by staging a Paris show, elongated African motifs on chiffon capes and subtle tribal markings at skirt hems gave an ethnic touch to the currently fashionable abstract decoration and brought two continents together.

Suzy Menkes

NYSE

Monday's 4 P.M. Close
 The 2,000 most traded stocks of the day.
 Nationwide prices not reflecting late trades elsewhere.
 The Associated Press.

12 Month High Low Stock Div Yld PE 100-High Low-Latest Chge

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12 Month High Low Stock Div Yld PE 100-High Low-Latest Chge

12 Month	High	Low	Stock	Div	Yld	PE	100-High	Low	Latest	Chge
101	214	214	ABT							
102	214	214	ABT							
103	214	214	ABT							
104	214	214	ABT							
105	214	214	ABT							
106	214	214	ABT							
107	214	214	ABT							
108	214	214	ABT							
109	214	214	ABT							
110	214	214	ABT							
111	214	214	ABT							
112	214	214	ABT							
113	214	214	ABT							
114	214	214	ABT							
115	214	214	ABT							
116	214	214	ABT							
117	214	214	ABT							
118	214	214	ABT							
119	214	214	ABT							
120	214	214	ABT							
121	214	214	ABT							
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124	214	214	ABT							
125	214	214	ABT							
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131	214	214	ABT							
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134	214	214	ABT							
135	214	214	ABT							
136	214	214	ABT							
137	214	214	ABT							
138	214	214	ABT							
139	214	214	ABT							
140	214	214	ABT							
141	214	214	ABT							
142	214	214	ABT							
143	214	214	ABT							
144	214	214	ABT							
145	214	214	ABT							
146	214	214	ABT							
147	214	214	ABT							
148	214	214	ABT							
149	214	214	ABT							
150	214	214	ABT							

Monday's 4 P.M. Close
 The 2,000 most traded stocks of the day.
 Nationwide prices not reflecting late trades elsewhere.
 The Associated Press.

12 Month High Low Stock Div Yld PE 100-High Low-Latest Chge

12 Month	High	Low	Stock	Div	Yld	PE	100-High	Low	Latest	Chge
151	214	214	ABT							
152	214	214	ABT							
153	214	214	ABT							
154	214	214	ABT							
155	214	214	ABT							
156	214	214	ABT							
157	214	214	ABT							
158	214	214	ABT							
159	214	214	ABT							
160	214	214	ABT							
161	214	214	ABT							
162	214	214	ABT							
163	214	214	ABT							
164	214	214	ABT							
165	214	214	ABT							
166	214	214	ABT							
167	214	214	ABT							
168	214	214	ABT							
169	214	214	ABT							
170	214	214	ABT							
171	214	214	ABT							
172	214	214	ABT							
173	214	214	ABT							
174	214	214	ABT							
175	214	214	ABT							
176	214	214	ABT							
177	214	214	ABT							
178	214	214	ABT							
179	214	214	ABT							
180	214	214	ABT							
181	214	214	ABT							
182	214	214	ABT							
183	214	214	ABT							
184	214	214	ABT							
185	214	214	ABT							
186	214	214	ABT							
187	214	214	ABT							
188	214	214	ABT							
189	214	214	ABT							
190	214	214	ABT							
191	214	214	ABT							
192	214	214	ABT							
193	214	214	ABT							
194	214	214	ABT							
195	214	214	ABT							
196	214	214	ABT							
197	214	214	ABT							
198	214	214	ABT							
199	214	214	ABT							
200	214	214	ABT							

Monday's 4 P.M. Close
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12 Month High Low Stock Div Yld PE 100-High Low-Latest Chge

10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%
10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%	21%	22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%																																																																	

The 1998 International Herald Tribune Survey

RSVP!

Dear Reader

As a reader of the International Herald Tribune, you are of vital importance to the newspaper, whether you are a regular, occasional or even a first-time reader. Only by knowing more about your thoughts on the newspaper content, your lifestyle and your business, can we endeavour to produce a better newspaper.

We would be very grateful if you could take the time to fill in this questionnaire, fold it following the instructions on the reverse side and post it (the postage is already paid). For every reply we receive we will donate a dollar to a charity.

If you wish to enter our free prize drawing, please fill in your name and address in the space provided below - two winners will be sent a decanter of Fine Champagne Cognac Extra from Rémy Martin.

Thank you very much for your time.

Peter C. Goldmark Jr.

Peter C. Goldmark Jr.
Chairman and Chief Executive

Please indicate your responses with an X in the appropriate boxes.

YOU AND THE INTERNATIONAL HERALD TRIBUNE...

1 - How often do you usually read or look at the IHT?
5-6 days a week ☐ 1-2 days a week ☐ (1)
3-4 days a week ☐ Less than once a week ☐ (2)

2 - How do you usually obtain your copy of the IHT?
when in home country when traveling
Home subscription ☐ (1) Airline ☐ (2)
Personal office subscription ☐ Hotel ☐ (3)
Colleague/friend/relative ☐ Newsstand ☐ (4)
Newsstand ☐ Other ☐ (5)
I only read the IHT when traveling ☐ (6)

3 - And how many people excluding yourself usually read your copy of the IHT?
One ☐ Three ☐ Five or more ☐ (1)
Two ☐ Four ☐ No-one else ☐ (2)

4 - On average, how much time do you spend reading the IHT?
Less than 15 minutes ☐ 1-2 hours ☐ (1)
15-29 minutes ☐ 2-3 hours ☐ (2)
30-44 minutes ☐ Over 3 hours ☐ (3)
45 minutes-1 hour ☐ Not sure ☐ (4)

5 - For a typical issue of the IHT, what percentage of pages do you look at or read from before you discard the newspaper?
100% ☐ 60% ☐ 20% ☐ (1)
80% ☐ 40% ☐ Less than 20% ☐ (2)

6 - Usually, how many separate times do you pick up your copy of the IHT before you have finished with it completely?
WRITE IN _____ (1-2)

7 - How many other daily newspapers do you usually read? (Please include all daily titles whether they be international, national, or local)
One ☐ Three ☐ Five or more ☐ (1)
Two ☐ Four ☐ No other ☐ (2)

8 - If you had to rank by order of importance to you personally the daily newspapers you read, where would you rank the IHT?
First ☐ Second ☐ Third ☐ Other (WRITE IN) _____ (1-3)

9 - Please indicate your level of agreement with the following statements regarding the IHT:
Strongly agree Agree Neither agree nor disagree Disagree Strongly disagree
Publication I want to read ☐ ☐ ☐ ☐ ☐ (1)
You can believe what you read in it ☐ ☐ ☐ ☐ ☐ (2)
I look forward to reading it ☐ ☐ ☐ ☐ ☐ (3)
Is a leisurely read ☐ ☐ ☐ ☐ ☐ (4)
Is a publication I read thoroughly rather than skim ☐ ☐ ☐ ☐ ☐ (5)

10a - Do you ever read the IHT on the Internet?
Yes ☐ No ☐ (1)

10b - If yes, how often?
Each day ☐ 1-2 times/week ☐ 3-4 times/week ☐ 5 times/week ☐ Less often ☐ (1-5)

AIR TRAVEL...

11 - Approximately how many international air trips have you made in the last 12 months?
Business Pleasure Business Pleasure Business Pleasure
1-3 trips ☐ 11-15 trips ☐ none ☐ (1-3)
4-6 trips ☐ 16-20 trips ☐ (4-6)
7-10 trips ☐ 21+ trips ☐ (7-10)

12 - Which, if any, of the regions listed below have you visited by air in the last 12 months?
Business Pleasure Business Pleasure
Austria ☐ (1-11) Hong Kong ☐ (1-12)
Belgium/Luxembourg ☐ (1-12) India ☐ (1-13)
France ☐ (1-14) Indonesia ☐ (1-14)
Germany ☐ (1-15) Japan ☐ (1-15)
Greece ☐ (1-16) Korea ☐ (1-16)
Israel ☐ (1-17) Malaysia ☐ (1-17)
Italy ☐ (1-18) Philippines ☐ (1-18)
Netherlands ☐ (1-19) Singapore ☐ (1-19)
Scandinavia ☐ (1-20) Taiwan ☐ (1-20)
Spain ☐ (1-21) Thailand ☐ (1-21)
Switzerland ☐ (1-22) Other Asia/Pacific ☐ (1-22)
UK ☐ (1-23) USA ☐ (1-23)
Eastern Europe ☐ (1-24) Canada ☐ (1-24)
Other Europe ☐ (1-25) Central America/Caribbean ☐ (1-25)
Africa ☐ (1-26) South America ☐ (1-26)
Australia/New Zealand ☐ (1-27) Middle East ☐ (1-27)

13a - For business trips what class of travel do you usually use?
Trips up to 4 hours Trips of 4 hours or more
First Class ☐ (1-14) ☐ (1-15)
Business Class ☐ (1-14) ☐ (1-15)
Economy ☐ (1-14) ☐ (1-15)

13b - How many frequent flyer clubs are you a member of?
None ☐ One ☐ Two ☐ Three or more ☐ (1-4)

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RÉMY MARTIN
FINE CHAMPAGNE COGNAC

To thank you, a dollar will be given to a charity of your choice. Please indicate which of these charities should benefit from your dollar donation.

World Wildlife Fund ☐ Cancer Research ☐ (1)
Médecins Sans Frontières ☐ International Red Cross ☐ (2)

14 - Approximately how many nights have you spent in hotels on business in the last 12 months?
1-7 ☐ 15-29 ☐ 50-74 ☐ (1)
8-14 ☐ 30-49 ☐ 75+ ☐ none ☐ (2)

15 - In the last 12 months, have you:
flown in your own private plane? Yes ☐ No ☐ (1)
flown in your company's plane? Yes ☐ No ☐ (2)

ABOUT YOUR LIFESTYLE...

16 - Which, if any, of the following cards do you use? (Please check all that apply.)
AMEX Gold/Platinum ☐ (1) Any other card ☐ (1)
AMEX Green ☐ (2)
Visa Gold/Premier ☐ (3) International telephone calling cards: ☐ (4)
Other Visa ☐ (5) - AT&T ☐ (6)
MasterCard Gold ☐ (7) - MCI ☐ (8)
Other MasterCard ☐ (9) - Sprint ☐ (10)
Diners Club ☐ (11) Any other int'l calling cards ☐ (12)

17 - Which of the following items have you bought in the last 12 months, whether for yourself, your household or as a gift? (Please check all that apply.)
Cognac ☐ (1) Perfumes ☐ (2)
Blended/malt whisky ☐ (3) Watches ☐ (4)
Canadian/US/Irish whiskey ☐ (5) Jewelry ☐ (6)
Gin ☐ (7) Designer clothing ☐ (8)
Vodka ☐ (9) Leather items ☐ (10)
Crystalware ☐ (11) Writing accessories ☐ (12)

18a - How many cars do you have in your household?
none ☐ one ☐ two ☐ three or more ☐ (1-4)

18b - Do you have a company car?
Yes ☐ No ☐ (1)
Who chose it? Your company ☐ You ☐ (2)

18c - What is the size of the engine of your:
under 1999cc 2000-3000cc over 3000cc
personally owned car? ☐ ☐ ☐ (1)
company owned car? ☐ ☐ ☐ (2)

19 - Which of the following do you currently use?
Personally For business
Personal computer ☐ (1) ☐ (2)
Laptop/notebook/handheld computer ☐ (3) ☐ (4)
CD-ROM ☐ (5) ☐ (6)
Video conferencing ☐ (7) ☐ (8)
Cellular/mobile phone ☐ (9) ☐ (10)
Compact satellite phone ☐ (11) ☐ (12)
The Internet/other on-line services:
- for business and finance information ☐ (13) ☐ (14)
- for general information ☐ (15) ☐ (16)
Have you ever bought goods/services through the Internet? Yes ☐ No ☐ (17)

20 - Which, if any, of the following publications do you read regularly (at least 3 out of 4 issues)?
Financial Times ☐ (1) The Economist ☐ (2)
USA Today ☐ (3) The European ☐ (4)
The Asian Wall Street Journal ☐ (5) Far Eastern Economic Review ☐ (6)
The Wall Street Journal Europe ☐ (7) Newsweek ☐ (8)
BusinessWeek ☐ (9) Time ☐ (10)

21 - Which, if any, of the following have you done in a business or personal capacity in the last twelve months?
Acted as adviser to another company ☐ (1)
Been interviewed on TV, radio or by the press ☐ (2)
Had an article, paper or book published ☐ (3)
Sat on an industrial/professional committee ☐ (4)
Lobbied or advised members of national/local government ☐ (5)
Been involved in an environmental/conservation/animal welfare group ☐ (6)

YOUR WORK...

22 - Are you currently:
Working full/part time ☐ A student ☐ (1)
Not in paid employment/other ☐ Retired ☐ (2)

23 - What is your job title or position?
Owner/Partner ☐ (1) Politician/Government Minister ☐ (2)
Chairman/President/CEO ☐ (3) Diplomat/Senior Government Official ☐ (4)
Managing Director ☐ (5) Medical ☐ (6)
Vice President ☐ (7) Legal ☐ (8)
General Manager ☐ (9) Education ☐ (10)
CFO/Finance Director/Treasurer ☐ (11) Clerical position ☐ (12)
Department Head ☐ (13) Other job/position ☐ (14)
Consultant ☐ (15) (WRITE IN) _____ (16)
Other senior position ☐ (17)
Other Director/Manager ☐ (18)

24a - What is the main activity of your organization?
Manufacturing/engineering ☐ (1) Computing ☐ (2)
Primary industry/utilities ☐ (3) Telecommunications ☐ (4)
Construction ☐ (5) Other business services ☐ (6)
Wholesale/retail ☐ (7) Education ☐ (8)
Travel/tourism/transportation ☐ (9) Medical ☐ (10)
Publishing/printing/broadcasting ☐ (11) Legal ☐ (12)
Banking ☐ (13) Government/diplomatic ☐ (14)
Other financial services ☐ (15) Other (WRITE IN) _____ (16)

24b - For those of you working in the financial sector, which of the following best describes your job function?
Financial Analyst ☐ (1)
Portfolio Manager ☐ (2)
Investment Department Head ☐ (3)
Other (WRITE IN) _____ (4)

25 - How many people does your organization employ?
Country of residence World-wide
Under 10 ☐ (1) ☐ (2)
10-49 ☐ (3) ☐ (4)
50-99 ☐ (5) ☐ (6)
100-249 ☐ (7) ☐ (8)
250-499 ☐ (9) ☐ (10)
500-999 ☐ (11) ☐ (12)
1000-4999 ☐ (13) ☐ (14)
5000+ ☐ (15) ☐ (16)
Does not operate outside your country of residence ☐ (17)

26 - Please indicate for which of the goods or services listed below you are wholly or partly responsible for your company's decisions to purchase, lease or change suppliers?
Desktops/PCs ☐ (1) Other financial services ☐ (2)
Software ☐ (3) Business services ☐ (4)
Network systems ☐ (5) Company vehicles ☐ (6)
Telecom systems/equipment/services ☐ (7) Corporate/business aircraft ☐ (8)
Other office equipment/technology ☐ (9) Conferences/trade fairs/exhibitions ☐ (10)
Commercial banking services ☐ (11) International courier/freight services ☐ (12)
Investment banking services ☐ (13) Plant and equipment/raw materials ☐ (14)
Corporate investments ☐ (15) Bus, premises/industrial site selection ☐ (16)

27 - Do you have international responsibilities in your job?
Yes ☐ No ☐ (1)

ABOUT YOU...

28 - I am: Male ☐ Female ☐ (1)

29 - Age:
Under 25 ☐ 25-34 ☐ 35-44 ☐ 45-54 ☐ 55-64 ☐ 65+ ☐ (1-5)

30 - How many children do you have either living at home or away from home (but for whom you are financially responsible)?
None ☐ One ☐ Two ☐ Three ☐ Four or more ☐ (1-5)
a) aged under 15 ☐ (6)
b) aged 15 or over ☐ (7)

31 - Which country do you currently live in?
WRITE IN _____ (1-3)

32 - How long have you been living in your country of residence?
Less than 1 year ☐ 1-2 years ☐ 2-5 years ☐ 5-10 years ☐ 10 years+ ☐ (1-5)

33 - Which country are you a Citizen/National of?
WRITE IN _____ (1-3)

34a - Which level are you educated to:
Doctorate ☐ Standard university level ☐ (1)
MBA ☐ Secondary/high school level ☐ (2)
Higher university degree level ☐ (3)

34b - Are you currently studying for an MBA? Yes ☐ No ☐ (1)
Do you have any plans in the future to study for an MBA? Yes ☐ No ☐ (2)

35 - Approximate household income (pre-tax) in US\$ from all sources:
Up to \$30,000 ☐ \$150,000 to under \$200,000 ☐ (1)
\$30,000 to under \$50,000 ☐ \$200,000 to under \$300,000 ☐ (2)
\$50,000 to under \$100,000 ☐ \$300,000 to under \$500,000 ☐ (3)
\$100,000 to under \$150,000 ☐ \$500,000 and over ☐ (4)
Or, write in own currency: _____ (5)

36 - Which, if any, of the following categories of personal investments and financial services do you have or use?
Life insurance ☐ (1) Gold/precious metals ☐ (2)
Private banking ☐ (3) Commodities ☐ (4)
Private pension plan ☐ (5) Foreign currency ☐ (6)
Stocks or bonds ☐ (7) Property/real estate (wholly owned) ☐ (8)
Government securities ☐ (9) Collectibles (art, antiques, coins, stamps) ☐ (10)
Funds/unit trusts ☐ (11)

In order to be eligible for the prize drawing, please write in your full name and address in the space provided.
Title: Mr/Mrs/Miss/Dr/Prof. _____ Other _____
First Name _____ Family Name _____
Address _____
Postal Code _____ City/Town _____ Country _____
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E-mail address _____

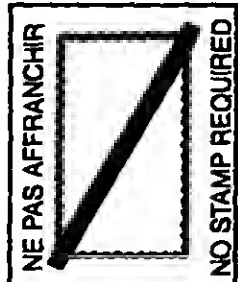
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I do not wish to participate in further IHT surveys over the next 18 months. ☐ (1)

Thank you for your cooperation. Now simply follow the folding instructions on the reverse of the questionnaire and please post it.

*Valid where legal.

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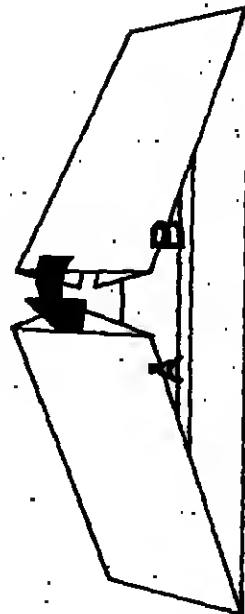
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CURRENCY &

A Privatizer Takes Over At Intelsat

New Chief Wants to Sell Consortium by 2001

By Mike Mills
Washington Post Service

WASHINGTON — For Conny Kullman, newly elected head of the global satellite consortium Intelsat, success will be measured by how soon his job becomes obsolete.

Intelsat, operating from headquarters here, is like the United Nations of global telecommunications, except that its 143 member nations usually pay their dues on time. Created in 1964 by international treaty for an era of monopoly telephone companies, Intelsat has enjoyed — and been hindered by — treaty privileges as a robust competitive industry has grown up around it.

Mr. Kullman, a towering 48-year-old Swede and 15-year Intelsat veteran, wants to make today's Intelsat disappear by 2001. In its place, he hopes, will be a completely private, publicly traded satellite company. And, perhaps, a new, much smaller treaty organization to ensure satellite service for underdeveloped countries.

"Intelsat needs to be fully commercialized," Mr. Kullman said in an interview at Intelsat's headquarters. "The only way to do that is to privatize this place and get it into the stock exchange as a private company."

That goal had eluded Intelsat's current director-general and chief executive, Irving Goldstein, who will retire when Mr. Kullman officially takes over on Oct. 23. Although Mr. Goldstein helped to create Intelsat and its U.S. member company, Comsat Corp., the most he could accomplish in the way of dismantling was the spinoff in April of five of Intelsat's 25 satellites. Dubbed New Skies Satellite NV, the Netherlands-based company plans an initial public stock offering in about a year.

"I thought I would have been able to get a more complete privatization done in a shorter period of time," Mr. Goldstein said. "I think Conny will be the last director-general of Intelsat."

Mr. Kullman is the first Intelsat chief to be born in the 20th century.

See INTELSAT, Page 17



Changing of the guard at Intelsat: Irving Goldstein, left, is handing over the reins as chief to Conny Kullman.

Seagram to Sell Tropicana to PepsiCo

Compiled by Our Staff From Dispatches

NEW YORK — Seagram Co. said Monday it would sell its Tropicana juice business to PepsiCo Inc. for \$3.5 billion, dropping a plan to sell the leading orange juice maker in a public stock offering.

The deal gives Pepsi a new business to compete with Coca-Cola Co., the world's highest beverage company and owner of the juice brand Minute Maid. Tropicana owns the Dole juices and has been expanding its breakfast-table lineup with exotic fruit blends, calcium-added juice and fruit drinks called Twisters. It had sales of \$2 billion last year.

The company will be added to a PepsiCo portfolio that includes the world's second-most popular soft drink behind Coke and snacks such as Ruffles, Doritos and Cheetos made by its Frito-Lay division.

The juice business "is certainly an area where Coca-Cola does not possess a major competitive advantage," said Roy Barry, an analyst at Brown Brothers Harriman.

Montreal-based Seagram is selling the business rather than going through with the stock offering because the acquisition provides a set price, investors said. "Seagram would have never raised that kind of money in an IPO," said Philip Foreman, portfolio manager at Composite Research & Management, which owned about 425,000 Seagram shares and about 279,000 Pepsi shares. "It's a good deal for both companies."

Seagram, the Canadian liquor giant and owner of Universal Studios, announced in May it would sell Tropicana to help fund its \$10.4 billion purchase of PolyGram, the world's largest music

company. While saying it would entertain offers from interested bidders, Seagram initially hoped to raise \$3.5 billion to \$4 billion by selling Tropicana to the public. Last week, it lowered that projection to \$3.1 billion.

Seagram bought Tropicana for \$1.2 billion in 1988 and acquired the Dole line for a reported \$240 million in 1995. On the New York Stock Exchange, Seagram shares closed 18.75 cents higher at \$40, and Pepsi shares were up 25 cents at \$39.75.

Tropicana accounted for 40 percent of the ready-to-drink orange juice market in the United States and 71 percent of the lucrative out-of-home-concentrate segment. Its beverages are sold in 20 countries. The company employs about 5,000 people worldwide.

(AP, Bloomberg)

France Telecom Issue To Raise \$9 Billion

Compiled by Our Staff From Dispatches

PARIS — France Telecom SA plans to increase its capital by 5 percent by selling shares in the autumn and plans to take a 2 percent cross shareholding with Deutsche Telekom AG, the Finance Ministry said Monday.

France Telecom and the French government said they planned to sell shares in Europe's No. 2 phone company worth as much as \$9 billion, in what would be the biggest share sale in Europe this year.

The sale will cut the French government's stake in France Telecom to as little as 62 percent, as planned when the government sold a quarter of France's dominant phone company last October. The government will sell 5 percent to 6 percent of existing shares and France Telecom will sell new shares equal to 5 percent of the company.

The capital increase will go ahead "market conditions permitting," the ministry said.

At the same time, France and Germany scaled back plans to swap up to 8 percent in their formerly state-owned phone companies, reducing the stakes to a symbolic 2 percent intended to cement France Telecom and Deutsche Telekom's partnership. The sales will give the governments cash to indirectly reduce their budget deficits before the start of the European single currency in 1999.

"Given the strong rise in both companies' shares, the governments didn't need to sell as much to get the same amount of cash," said Thierry Magnan, an analyst at SG Securities. "But the more France Telecom shares out there, the better."

The purchase by France Telecom and Deutsche Telekom of shares in each other is meant to reinforce their alliance as they try to find ways to work more closely together to expand abroad and offset competition in their home markets.

"We want to converge our development in European markets as quickly as possible, investing several billion euros a year and building a truly pan-European operator," Michel Bon, France Telecom's chief executive, said in an interview with the French newspaper Le Monde.

The companies aim to take 10 percent of the European phone market outside of their home countries, including Eastern Europe, by 2003. They currently

generate 10 billion francs (\$1.67 billion) in annual European sales.

The closer cooperation, which will include developing new services and a common calling card, should allow France Telecom to cut costs by 500 million francs in 2000. The sale of new shares will help pay for the Deutsche Telekom stake as well as financing expansion, Mr. Bon said.

But investors were less than thrilled with the news. France Telecom shares fell sharply Monday, shedding 6.17 percent to close at 391 francs.

In Germany, Deutsche Telekom shares closed at 55.10 Deutsche marks (\$30.82), up 30 pfennig.

Deutsche Telekom and France Telecom already work together on projects across Europe. Each company also holds 10 percent of Sprint Corp. of the United States and operate their Global One joint venture in 65 countries.

(Bloomberg, AFP, AP)

Microsoft Fails To Clinch Deal With Hangul

By Don Kirk

International Herald Tribune

SEOUL — A nationwide campaign by angry Korean consumers and computer fans forced Microsoft Corp. to withdraw Monday from a planned bailout investment in South Korea's largest producer of Korean-language software.

The Korean company, Hangul & Computer Co., said Monday it had decided to reject the planned investment by Microsoft, which would have required it to hand over its Korean-language software business and merge it into Microsoft's own Korean software.

Instead, Hangul, once Korea's fastest-rising software company, accepted an offer of \$10 million from a group of Korean investors to enable it to pay off some of its debts and invest in research and development needed to revive its

See KOREA, Page 17

Thinking Ahead / Commentary

A Warning on Asia From Down Under

By Reginald Dale
International Herald Tribune

WASHINGTON — Here are some words of wisdom from Down Under: Don't underestimate the potential effects of the Asian financial crisis.

That was the message brought to Washington this month by Australian participants in the Australian-American Leadership Dialogue, a private sector initiative aimed at expanding ties between the two countries.

It is not surprising that Australians should be worried. While many Americans still smugly regard the crisis as relatively distant, Australia is on the front line.

According to Ross Garnaut, of the Australian National University, Australia is more dependent on the East Asian market than any other country in the world, including the East Asian countries themselves.

The Australians are now scrambling to replace lost business in Asia with increased exports to Europe and North America.

Largely as a result of the crisis, Australia's economic growth rate will probably fall quite sharply this year, unemployment is stuck at around 8 percent and the Australian dollar has plunged in line with the Japanese yen. But now, if not with the same intensity, ripples from the crisis are beginning to lap the shores of America,

too. Last week brought news of a record U.S. trade deficit in May, a big drop in industrial production (partly also due to the United Auto Workers strike against General Motors Corp.) and a sharp fall in exports to Asia.

None of this is yet catastrophic. The Australian economy is probably strong enough to ride out the crisis, provided it does not worsen, and most economists expect U.S. growth to resume after a slowdown in which the economy adjusts.

A more serious concern right now, in both countries, is political. In Australia, the Asian crisis has coincided with growing support for the nationalistic One Nation party, led by Pauline Hanson, which wants to cut back on imports and immigrants and end the policy of integrating Australia into Asia, supported by the main political parties.

The discontent that Ms. Hanson is tapping has many roots. It has to do with rural resentments against the power of the cities, growing ethnic diversity, gun control and generous compensation plans for native Australian aborigines, as well as discontent over unemployment and low farm incomes.

The problem is not that Ms. Hanson is likely to take over the country. It is that her unexpected success is threatening to derail the process of economic liberalization that has contributed so much to the prosperity of most Australians in recent years.

America does not have a Pauline Hanson. But it does have a Ross Perot and a Pat Buchanan, both nationalistic former presidential candidates, and numerous other politicians ready to jump on a protectionist bandwagon were it ever to start to roll. And there are plenty of Americans, especially in the countryside, who harbor the same kind of resentments as Ms. Hanson's supporters.

With confidence in the U.S. economy still running so high, and unemployment so low, the soaring U.S. trade deficit has produced unease, but not yet a major protectionist backlash.

But that could quickly change if the miraculous jobs and growth engine starts to sputter just as the flood of cheap imports from Asia reaches its peak.

A new study from the Institute for International Economics predicts that the Asian crisis will add \$40 billion to \$50 billion to the U.S. trade deficit. That will exacerbate trade tensions between the United States and Asian nations such as Japan and South Korea, and make U.S. trade actions against those countries more likely.

That would almost certainly provoke similar actions by other countries. If a trade backlash does materialize in the United States, we will have not just an Asian problem but an American one, too.

E-mail address: thinkahead@washpost.com

CURRENCY & INTEREST RATES

Cross Rates July 20									
	£	DM	FF	¥	HK\$	NT\$	₹	₪	₹
Australian	2.025	1.34	1.275	1.07	1.07	1.07	1.07	1.07	1.07
Canada	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69
France	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66
Germany	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Italy	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Japan	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
South Korea	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
Switzerland	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
Taiwan	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
UK	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69
US	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69
Libor-Libor Rates July 20									
	1-month	3-month	6-month	1-year	2-year	3-year	5-year	10-year	30-year
US	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
UK	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Germany	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
France	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Italy	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Spain	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Sweden	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Netherlands	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Belgium	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Australia	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Canada	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
South Korea	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Japan	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
China	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
India	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Indonesia	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Malaysia	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Philippines	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Singapore	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Thailand	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Vietnam	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Other Dollar Values									
Australian	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
Canada	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69
France	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66
Germany	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Italy	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Japan	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
South Korea	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
Switzerland	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
Taiwan	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
UK	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69
US	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69
Forward Rates									
Australian	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
Canada	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69
France	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66
Germany	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Italy	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Japan	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
South Korea	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
Switzerland	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48
Taiwan	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
UK	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69
US	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69

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THE AMERICAS



EUROPE

Prague Leader Returning to Bank

Move Seen Strengthening Czech National's Independence

By Peter S. Green
International Herald Tribune

PRAGUE — The outgoing prime minister, Josef Trosky, will return to his former post as governor of the Czech National Bank, the government said Monday, a move that economists see as strengthening the central bank's independence.

The office of President Vaclav Havel said Mr. Trosky would be named to the post Wednesday and would begin a six-year term as governor when the new Social Democratic government of Prime Minister Milos Zeman is sworn in.

Mr. Trosky left the bank in December to serve as interim prime minister after Prime Minister Vaclav Klaus was forced to resign in November in a political scandal.

"The president feels that in this period of possible political instability there should be a firm point in the economy," said Jiri Pehe, Mr.

Havel's political adviser, "and Trosky certainly represents that with his experience, his lack of enthusiasm for radical solutions and his certain ability to resist political pressure."

Elections last month ended with a hung Parliament, but the Social Democrats have formed a government with the support of their one-time bitter rivals, the rightist Civic Democratic Party headed by Mr. Klaus.

Both parties have said they want to limit the independence of the central bank, but most observers predict the two will battle over budget deficits, industrial subsidies, deregulation and privatization.

The Social Democrats say they are prepared to run a budget deficit to stimulate an economy that shrank by 0.9 percent in the first quarter of the year after virtually zero growth in 1997. Mr. Klaus says he opposes a deficit.

As governor of the central bank, Mr. Trosky favored classical monetarist policies, raising interest rates to keep inflation down. But on his watch, a dozen privately owned banks collapsed, and the korona lost a quarter of its value. Still, the bank has maintained a tight money policy.

"This is a vote for more stability," said Miroslav Singer, chief economist at Expandia Finance in Prague.

"The central bank is definitely the most important counterweight to any kind of fiscal craziness," he said.

But Vladimir Kreidl, an economist at Patria Finance in Prague, said that Mr. Trosky might be slightly more accommodating to government pressure to lower interest rates in order to stimulate growth and ease the debt burden on troubled Czech companies.

"We may see more consultation with Trosky," he said.



Prime Minister Josef Trosky will head Czech central bank.

and a little more inflationary bias with Trosky," he said.

The central bank lowered its key two-week repurchase rate to 14.5 percent last week from 15 percent, but the move has had no noticeable effect yet on either the overvalued currency or on debt-ridden industrial giants.

Rising Costs

Fail to Dent SAP's Profit

Compiled by Our Staff From Dispatches

WALLDORF, Germany — SAP AG, the world's largest maker of business-management software, said second-quarter pretax profit rose 30 percent even as rising labor costs and the economic slump in Asia cut into earnings growth.

Pretax profit rose to 521 million Deutsche marks (\$281.4 million), compared with 401 million DM in the year-earlier period. In the first quarter, the company's pretax profit rose 72 percent. Second-quarter sales rose 59 percent, to 2.2 billion DM, from 1.37 billion DM a year earlier, while costs rose 70 percent, to 1.7 billion DM, SAP said.

"We've stepped up the pace of our expansion and intensified our investment activities," said Hasso Plattner, SAP's co-chairman. "Our very strong first-half performance shows that we're on the right track in adding resources to extend our success."

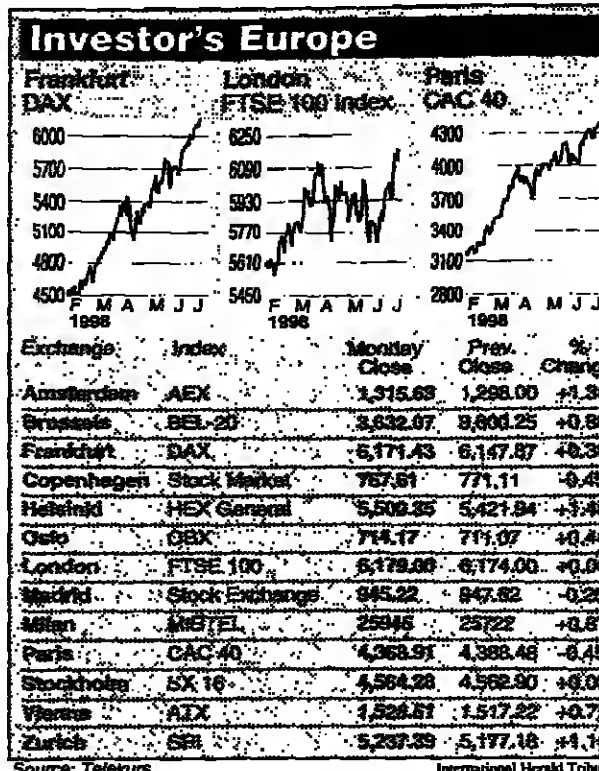
Stiff competition for software programmers and developers prompted SAP to introduce a profit-sharing program in May that raised costs faster than sales grew. Weaker currencies in Asia, where the company generates 10 percent of sales, also cut into growth.

"Asia is certainly playing a role, and with the need to hire thousands of workers this year, it's difficult to drop a handle on costs," said Pierre Drach, head of research at Inter-Drach Research in Frankfurt. SAP stock fell 4 DM, to 1,074.

SAP has been scrambling to keep up with demand for its R/3 software, which helps businesses manage personnel, manufacturing and distribution, and also includes features that help deal with the so-called millennium bug and the 1999 change to a single European currency.

SAP's work force increased 53 percent over the past year, to 17,000 employees, and the company is likely to hire more than the 5,000 employees previously planned for 1998, said Henning Kagermann, the company's other co-chairman. The company said it set aside 35 million DM for the profit-sharing program in the second quarter. Without the program costs, second-quarter pretax profit would have risen 39 percent.

SAP's shares have risen more than 40-fold over the past five years, making the software maker Germany's second-largest company in terms of market capitalization behind Allianz AG. SAP commands 32 percent of the world-market for software that helps "manage production," distribution, personnel and other functions. (Bloomberg, AFP)



Very briefly:

- German investment overseas reached 51.5 billion Deutsche marks (\$28.3 billion) in 1997, with investment increasing in 41 countries, decreasing in 12 and remaining unchanged in 19, compared with 1996, the German Chamber of Industry and Commerce said.
- The German economy will "clearly" expand by more than 2.5 percent this year, the head of the government's panel of economic advisers said. The government predicts growth of 2.5 percent to 3 percent this year after 2.2 percent in 1997.
- Siemens AG, Germany's largest electronics and engineering company, said it would not rule out the closure of poorly performing semiconductor plants as a way to cut production capacity and counter price declines.
- WorldCom Inc., the U.S. long-distance telephone company, said it had begun operating a fiber-optic grid that links city-based networks it has built in Europe; the first phase of the project, called Ulysses, connects Amsterdam, Brussels, Frankfurt, London and Paris through 3,200 kilometers (1,984 miles) of fiber-optic cable, and has a link to New York.
- AngloGold Ltd., the world's biggest gold producer, said first-half earnings rose 42 percent to 730.9 million rand (\$117.8 million) as it slashed costs by cutting staff and closing offices as part of a reorganization of the company.
- President Mohammed Khatami of Iran, caught between domestic factionalism and depressed world oil prices, has been forced to postpone a planned overhaul of the country's economy, analysts said.
- Shire Pharmaceuticals PLC's shares rose 10.8 percent to 540.5 pence (\$8.87) after the company said a drug it was developing for Alzheimer's disease could "significantly" delay the progress of the brain-wasting condition.
- SairGroup, the operator of Swissair AG, said it had agreed with its European partners in the so-called Qualifier alliance — including Austrian Airlines and Turkish Airlines — to coordinate ground-handling operations to cut costs as competition increases.
- OPG Groep NV, the Dutch pharmaceuticals distributor, said profit for the second half of its financial year, which ended April 30, rose 14 percent to 37.4 million guilders (\$18.5 million), helped by cost-cutting efforts. (Bloomberg, Reuters)

Russia Vows to Collect More Taxes

Compiled by Our Staff From Dispatches

MOSCOW — Russia issued a new pledge Monday to improve its tax collection, hoping its efforts will win approval for a new International Monetary Fund loan.

Analysts said the Fund was expected to approve a \$5.6 billion loan after President Boris Yeltsin decreed tax increases to cut the budget deficit.

"In the end they'll probably give the money," said Constance Hunter, a portfolio manager at Firebird Capital Management in New York. "The odds are they will come through with the deal — but it's not 100 percent."

The World Bank, meanwhile, will decide early next month whether to release a \$1.5-billion economic restructuring loan for Russia, officials said Monday.

The decision will be strongly influenced by the International Monetary Fund, the World Bank's Moscow representative, Michael Carter, was quoted as saying by Interfax news agency.

The Fund has said it will not approve its loan, which is part of a \$22.6 billion package, unless the

Russian government raises more revenue, especially by improving tax enforcement. At present the government collects only a small fraction of what is owed in taxes.

In a joint statement sent Monday to the Fund, the prime minister, Sergei Kiriyenko, and the chairman of the central bank, Sergei Dubinin, said they had taken measures that would increase revenues and cap the budget deficit at 2.75 percent of gross domestic product, Interfax said.

The government also announced that it would increase the pace of privatization, selling stakes in a number of companies previously considered off limits for strategic reasons, Interfax said.

Mr. Yeltsin vetoed two laws lowering taxes and introduced new land taxes by decree over the weekend.

The cabinet passed a resolution introducing a value-added tax rate of 20 percent for a wide range of goods.

Deputies in the lower house, the State Duma, which is now in summer recess, criticized Mr. Yeltsin and the cabinet on Monday, saying only Parliament could write tax laws.

"Whatever political and economic reasons are pressing on the president, and the government, they should not violate the constitution," the chairman of the lower house's budget committee, Alexander Zhukov, said. (Reuters, AP, Bloomberg)

Low Oil Prices

Cut Profit by 7% At Norsk Hydro

The Associated Press

OSLO — Norsk Hydro A/S reported Monday a 7 percent drop in profit for the first half of 1998 from the same period a year earlier, saying low world prices for oil, a major export, and weak markets for fertilizer sales had lowered earnings.

The 51-percent state-owned company, with interests in oil, petrochemicals, light metals and fertilizers, said net profit fell to 2.82 billion kroner (\$373.6 million), compared with 3.04 billion for the first half of 1997.

Sales in the period increased from a year earlier by 4 percent to 50.28 billion kroner. Operating income slid by 30 percent to 4.19 billion kroner.

The downturn was particularly sharp during the second quarter of 1998. Compared to the same three months of 1997, operating income from oil and natural gas declined 51 percent. Its fertilizer division was down by 30 percent.

Operating income from petrochemicals was 46 percent lower for the quarter, largely due to a scheduled maintenance shutdown of a key factory.

Shares of Norsk Hydro closed at 350.50 kroner, up 14.50 kroner. (Bloomberg, AFP)

WORLD STOCK MARKETS

Monday, July 20

Daily prices in local currencies

High Low Close Prev.

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NASDAQ

Monday's 4 P.M.
The 1,000 most traded National Market securities
In terms of dollar value, updated twice a year.
The Associated Press.

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65	1000	1000	1000	1000	65

[illegible]**NYSE**

Monday's 4 P.M. Close
(Continued)

12 Month High Low Stock Div Yld PE Sls 100s High Low Latest Chrg

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姓名	性别	年龄	籍贯	职业	文化程度	政治面貌	健康状况	婚姻状况	子女情况	其他
王德胜	男	45	山东	工人	小学	党员	良好	已婚	2子1女	
李秀英	女	38	河北	教师	大学	团员	良好	已婚	1子	
张国强	男	52	河南	农民	初中	党员	一般	已婚	3子2女	
刘小红	女	28	江苏	护士	高中	团员	良好	未婚	无	
陈为民	男	60	浙江	退休	小学	党员	一般	已婚	4子3女	
赵大刚	男	35	湖北	干部	大学	党员	良好	已婚	2子	
孙丽娟	女	42	湖南	工人	小学	团员	良好	已婚	1子1女	
周志远	男	55	四川	农民	初中	党员	一般	已婚	3子2女	
吴小芳	女	32	广东	教师	大学	团员	良好	已婚	1子	
郑为民	男	48	广西	工人	小学	党员	良好	已婚	2子1女	
冯大刚	男	58	福建	退休	小学	党员	一般	已婚	4子3女	
李秀英	女	38	河北	教师	大学	团员	良好	已婚	1子	
张国强	男	52	河南	农民	初中	党员	一般	已婚	3子2女	
刘小红	女	28	江苏	护士	高中	团员	良好	未婚	无	
陈为民	男	60	浙江	退休	小学	党员	一般	已婚	4子3女	
赵大刚	男	35	湖北	干部	大学	党员	良好	已婚	2子	
孙丽娟	女	42	湖南	工人	小学	团员	良好	已婚	1子1女	
周志远	男	55	四川	农民	初中	党员	一般	已婚	3子2女	
吴小芳	女	32	广东	教师	大学	团员	良好	已婚	1子	
郑为民	男	48	广西	工人	小学	党员	良好	已婚	2子1女	
冯大刚	男	58	福建	退休	小学	党员	一般	已婚	4子3女	

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ASIA/PACIFIC

Cash Crunch Threatens Thai Firms

BANGKOK — The government said Monday that a cash shortage could force as many as 800 factories to close, putting as many as 270,000 workers out of work.

Tanong Suwanthir, the labor minister, said the factories had indicated in a recent survey that they needed about 36 billion baht (\$844.3 million) in financial assistance to pay off debts and maintain operations.

In an effort to relieve the crunch, the government approved a plan to allow companies to delay paying midyear corporate tax until the end of the year.

The decision would help alleviate the pain caused by the liquidity crunch, Finance Minister Tarrin Nimmanahaeminda said.

Sompob Manarungsan, an economics professor at Bangkok's Chulalongkorn University, said the news that so many factories were on the verge of shutting was not surprising.

Thailand would have to be prepared to face a labor crisis that could worsen in the second half of this year, he added.

"The 270,000 new jobs number is possible as we project that there will be around 2.9 million Thai jobless this year due to the liquidity squeeze still spreading throughout the country," Mr. Sompob said.

If the unemployment figure rises to 2.9 million people, almost one in 10 of Thailand's workers would be jobless. The National Statistics Office has estimated domestic unemployment at 2.7 million people so far this year.

New Rules for Thai Banks

Half of Thailand's 16 commercial banks will report large second-quarter losses because of changes in the definition of nonperforming loans, Chatur Mongkol Sukkul, the Bank of Thailand governor, said Monday, according to an Associated Press report from Bangkok.

Financial institutions are expected to report second-quarter earnings this week. The institutions are phasing in stricter rules defining nonperforming loans.

Previously, fully collateralized loans would not be counted as nonperforming until payments were missed for 12 months.

In the second quarter, however, a nonperforming loan will be defined as one overdue for six months and in the third quarter, three months will become the limit. Analysts estimate that nonperforming loans account for around 35 percent of total loans.

Singapore Exports Rally in June

SINGAPORE — Singapore received some unexpected good news Monday as June figures showed a rebound in exports, but government economists predicted an overall decline in exports for the year.

Domestic exports other than oil, which are a key indicator of overall economic performance, rose 6.1 percent in June from a year earlier, the Trade Development Board reported.

The growth ran counter to most economists' expectations of a decline for the month, raising hopes

that Singapore may be able to avoid recession.

But the government board — a division of the Ministry of Trade and Industry — cautioned that the June figures were "statistical" in nature.

The positive June results were tempered by a sobering updated forecast for total trade in 1998.

The board expects Singapore's total trade to decline 4.5 to 5.5 percent this year because of the Asian crisis, slower growth in the U.S. and European economies, continued oversupply of electronic products and persistently weak oil

exports.

The surprisingly strong performance in June came after two months of negative figures. Non-oil domestic exports shrank 4.8 percent in April and 1.7 percent in May.

Total non-oil exports in June were 7.9 billion Singapore dollars (\$4.7 billion), compared with 7.06 billion dollars in May, the report said.

After a sharp initial gain, Singapore shares ended the Monday trading session slightly higher, with the benchmark index rising 7.22 points to close at 1,102.32.

Export Drop Cuts Taiwan Growth Outlook

TAIPEI — With Asian economic turmoil cutting deeply into Taiwan's exports, a private think tank said Monday that it had lowered its economic growth forecast for 1998 to 5.24 percent from 5.95 percent.

But the group, the Chunghua Institute of Economic Research, predicted 6.18 percent growth next year, in expectation of a recovery in the region.

"As the whole world suffers from a slow economy, it's hard for us to stay unscathed," said Chou Ji, a research fellow at the institute.

"The fundamentals of our economy haven't been shaken, but enterprises need to be more careful in running their business," he said at a news conference.

Taiwan's exports fell 7 percent, to \$54.5 billion, in the first half of this year, compared with the same period last year. Imports fell 3.5 percent, to \$53.3 billion.

Industrial production grew only 0.69 percent in May, compared with 6.85 percent growth a year earlier.

The worldwide oversupply in the semiconductor industry contributed to the lackluster performance in ex-

ports, the institute said. The computer and semiconductor industries contribute more than 40 percent of the value of Taiwan's industrial output.

Chipmaker's Profit Off

Taiwan Semiconductor Manufacturing Co. said Monday that its net profit dropped 46 percent, to 3.76 billion Taiwan dollars (\$109.4 million), in the second quarter.

But the chipmaker said profit for the first half of the year still rose 62 percent, to 10.71 billion Taiwan dollars from 6.6 billion, as sales rose to 27.34 billion from 16.89 billion.

Indonesia Says Japan Refuses To Yield on Rolling Over Debt

JAKARTA — Japan is balking at rolling over Indonesia's debt, Finance Minister Bambang Subianto said at a hearing at the House of Representatives on Monday.

The Indonesian government is trying to convince lenders to roll over about \$4 billion in sovereign debt to keep its budget deficit under control, allowing it to remain in compliance with the terms of the \$49 billion International Monetary Fund bailout.

"We can't roll over this debt unilaterally, we have to talk to these people and reach an agreement first," Mr. Subianto said.

Last week, Indonesia reached agreement with some of its lenders on rescheduling principal repayments on some of its \$54.4 billion in foreign debt, said Ginandjar Kartasasmita, the coordinating minister for the economy. The Japanese are Indonesia's largest providers of subsidized loans and direct aid.

Separately, Mr. Subianto said Japan had threatened to cancel all aid to Indonesia if the country's companies insisted on rescheduling their loans. Most Indonesian companies have had to delay debt payments because of the more than 82 percent plunge in the rupiah in the past year and the contraction in the economy.

Indonesian companies have about \$20 billion in foreign debt coming due this year, with commercial banks owing another \$9.2 billion, Mr. Ginandjar said in June.

Bloomberg News

Car Output Halted at 2 Korea Firms

ULSAN, South Korea — Operations were suspended at Korea's two major carmakers on Monday as Hyundai Motor Co. halted operations and Daewon Motor Co. union members Monday launched a three-day strike.

The hard-line Korean Confederation of Trade Unions also said it would stage a general strike Thursday if Hyundai did not reverse its layoff decision.

But the key stock index in Seoul surged 6.1 percent as concerns eased over labor unrest. Traders said worries over the issue appear to be tapering off because many workers seem to be accepting the fact that layoffs are inevitable for economic reforms.

The Korea Composite Index closed up 21 points at 365.18. A senior presidential adviser said the government would not back away from labor-market reforms.

Meanwhile, tension was growing at Hyundai Motor's major plant in the southeastern city of Ulsan.

Hyundai, a flagship of the Hyundai Group, has said it needed to lay off 2,678 workers to deal with falling domestic demand caused by the country's economic crisis.

Hyundai Motor suspended operations for one day on Monday because it feared violence after the announcement.

Daewon Motor union members launched their strike after wage negotiations with the second-biggest auto manufacturer broke down, a company spokesman said.

Daewon Motor issued a statement saying that 2,995 of its workers, or 20 percent of its total work force, are surplus to its needs. But Lee Sung Il, a company spokesman, said Daewon has yet to decide whether to resort to layoffs.

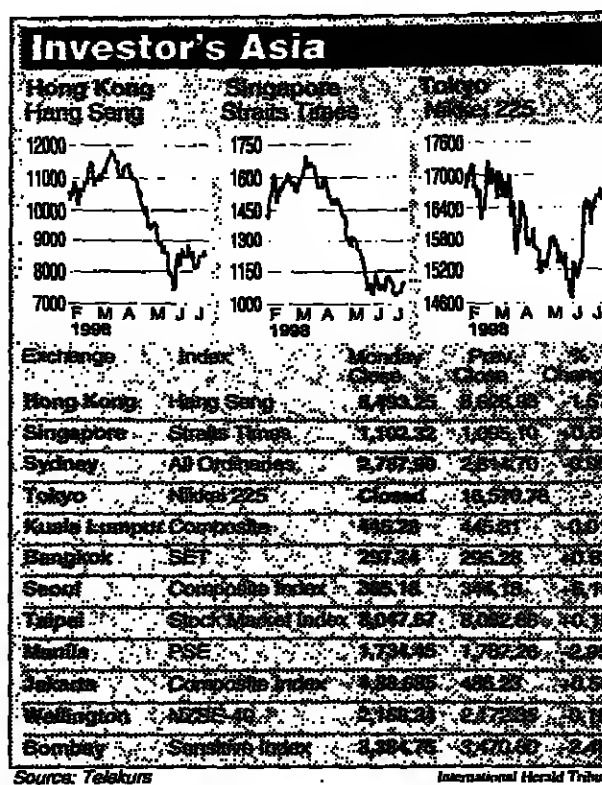
Separately, losses at South Korean banks widened in the first six months of the year after they set aside more provisions for bad loans and stock investment, the industry watchdog said.

The Financial Supervisory Commission said at best just five of Korea's 26 banks made money in the first half. The results will be announced as early as Thursday.

"Combined losses at banks widened by about 30 percent from a year ago," said Chang Hyun Ki, an official at the Bank Supervisory Board.

The government estimates as much as 100 trillion won (\$78 billion) of debts may need to be written off, almost a third of all bank loans.

(Reuters, AP, Bloomberg)



Very briefly:

- Malaysia is going to allow foreign companies to own up to 51 percent of companies engaged in foreign trade. Megat Jundi Megat Ayob, the domestic trade and consumer affairs minister, said foreign companies might be allowed 100 percent ownership if they made Malaysia their regional distribution center. The current equity ownership limit is 30 percent.
- Indonesian new car sales plunged 95 percent in June to their lowest monthly level in at least three years as surging car prices and interest rates continued to erode demand. Sales fell to 1,833 cars from 38,733 in June of last year. It was the seventh consecutive monthly decline in car sales.
- Lucent Technologies Inc., the U.S. telecommunications equipment company, offered 114 million Australian dollars (\$71.8 million) to buy JNA Telecommunications Ltd. of Sydney.
- Rhone-Poulenc SA's agriculture unit, Rhone Poulenc Agrochimie SA, is buying 86 percent of Chunjin Co. a South Korean agrochemical company, for an undisclosed amount. Chunjin reported sales of \$53 million last year. Rhone Poulenc Agrochimie said it wanted to expand in Asian, particularly Korean, markets.
- Vietnam cut its economic growth target for the year to between 6 percent and 7 percent from 9 percent because of the Asian crisis. For the first half of the year, Vietnamese exports grew by 10.6 percent, one-third the growth rate of a year earlier.
- J&A Securities Co. of Shanghai, China's second-biggest brokerage, will probably be placed under the management of China Guotai Securities Co. Guotai employees said. Four executives of J&A were recently summoned to Beijing for questioning.
- India, the third-largest coffee producer in Asia, will harvest 10 percent less coffee this season than last because of a drought.
- Pepsi-Cola Products Philippines Inc., a licensed bottler of Pepsi products and a unit of Guoco Holdings Philippines Inc., said sales volume jumped 69 percent in the financial year ended in June 1998.

KOREA: Hangul & Computer Co. Rejects a Planned Investment by Microsoft Corp.

Continued from Page 13

firmness. The announcement was a rebuff to the Microsoft chairman, Bill Gates, who visited Korea last month just two days after Microsoft Korea and Hangul & Computer said they had come to terms. Microsoft said it would withdraw its Hangul investment offer but would continue to invest in the Korean market.

Kim Jae Min, general manager of Microsoft Korea, called the decision "unfortunate." He said Microsoft Korea had been "working hard to establish a cooperative relationship with the Korean software company."

The success of the movement against Microsoft reflects widespread suspicion here of investment by foreigners, especially into companies that are viewed as closely tied to basic national interests, as well as the sensitivity to foreign encroachment on Korean language and culture.

"It's obviously not a good signal" to foreign investors, said Peter Underwood of Industrial Research & Consulting, which specializes in advising potential investors. "The amount is too small to hit the statistics, but it's high profile, and it's in a very strategic industry."

Under the deal, Hangul & Com-

puter was to have withdrawn from producing software for the Korean writing system, known as Hangul, in exchange for \$20 million from Microsoft to invest in other projects. But the accord created a nationwide backlash among computer fans, Web site users and other software companies as well as in the media.

Lee Chul Jin, the Hangul chairman, said Monday he was "very happy" that he had decided to save the software program that he had launched at the age of 25. The software controls 80 percent of the market in Hangul. Microsoft's MS Word Hangul software ranks a distant second with 20

percent of the market. Mr. Lee announced his decision at a press conference with Lee Min Hwa, leader of the "Save Hangul Committee" and president of the Korea Venture Business Association. One reason for Lee Min Hwa's campaign against Microsoft was that MS Word's Hangul system does not include certain ancient character and word formations that Korean language purists believe were essential.

Hangul, devised in the late 14th century as a writing system that employs 24 characters, ranks as one of Korea's proudest, most enduring intellectual achievements.

INTELSAT: New Director Plans Privatization

Continued from Page 13

reer executive to be elected director-general. The previous four, including Mr. Goldstein, a former Comsat chief executive, represented "signatory" nations.

Member nations felt he could take the most objective approach to dismantling the organization.

Mr. Goldstein has tried hard to change IntelSat's image and self-concept since he took the helm in 1992. Signatories are now called "customers." Instead of waiting for members to request satellite services from IntelSat, the group now has sales offices and marketers trying to boost usage of its network.

Trying to break IntelSat's culture of lifetime employment, Mr. Goldstein shed 130 high-level positions through a generous early retirement program, helping to reduce the full-time staff from 1,000 to 650.

Those changes reflect the new competitive era of satellite communications. A decade ago, IntelSat controlled most of the world's transoceanic voice, data and video communications. But undersea fiber optics have taken away most of IntelSat's revenue, but Hughes Electronics Corp.'s PanAmSat and Loral Corp.'s Orio unit are eating into that business.

IntelSat used to handle 100 percent of the video signals from events such as the Olympics and World Cup

soccer, for example. But roughly 40 percent of the video from the recent World Cup matches in France came via competitors' satellites.

Still, an expanding market has helped IntelSat's revenue grow from \$550 million in 1992 to a projected \$1 billion this year.

Mr. Kullman is an engineer who formerly worked for Saab Space AB in Sweden, designing computer systems for Ariane rockets, experimental satellites and early direct-to-home broadcasting satellites. He joined IntelSat in 1983, taking on computer and software design responsibilities and later directing launch operations and research. His most recent position was vice president for operations and engineering.

Not surprisingly, IntelSat sees the Internet as a primary source of future growth. Satellites are well-suited for "push" applications, such as sending large volumes of data to the networks of far-flung corporate offices.

Mr. Kullman will not re-

veal his thinking on exactly how to carry off IntelSat's demise as a treaty-based organization. He wants to meet with members and others in the industry before unveiling a plan. But he said one of his first priorities will be to remove IntelSat's treaty-based privileges: It is protected, for example, from being sued for violating antitrust laws. It also has tax advantages in many member nations.

Those privileges and immunities, Mr. Kullman said, have been "more of a hindrance than a benefit," providing critics with potent fuel for their arguments that IntelSat plays unfairly in the market. IntelSat's critics have had success this year in moving legislation in Congress that would force the immediate privatization of IntelSat by denying it access to the U.S. market. IntelSat members resent what they see as strong-arm tactics by Congress, while lawmakers are frustrated at what they view as IntelSat's member nations trying to hang on to monopoly protections.



STMicroelectronics

CONSOLIDATED RESULTS FOR THE FIRST SEMESTER ENDED 4 JULY 1998

STMicroelectronics reports a 10.4% increase in 1998 Second Quarter net revenues.

CONSOLIDATED STATEMENTS OF INCOME (Extracts)

In millions of US dollars (except per share data)	First semester ended 04/07/98	28/06/97
Net revenues	2,075.7	1,914.6
Gross profit	795.0	735.0
Total operating expenses	(555.3)	(505.6)
Operating income	239.7	229.4
Net interest expenses	(1.1)	(1.4)
Income before income taxes and minority interests	238.6	228.0
Income tax expense	(50.3)	(46.9)
Net income before minority interests	188.3	181.1
Minority interests	(0.6)	(1.5)
Net income	187.7	182.6
Earnings per share (basic)	USD 1.35	USD 1.31
Earnings per share (diluted)	USD 1.34	USD 1.31

CONSOLIDATED BALANCE SHEET (Extracts)

In millions of US dollars	04/07/98	31/12/97
Total assets	6,128.3	5,445.7
Shareholders' equity	3,678.2	3,307.4

The full text of the second quarter and first semester results' press release is available for the public at the office of Crédit Agricole Indosuez, Secrétaire Financier - Actions - 92920 Paris La Défense Cedex, France.

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STATEMENT OF CONDITION, JUNE 30, 1998

ASSETS	
Cash and Due from Banks	\$ 317,695,948
U.S. Government Securities	152,390,011
State and Municipal Securities	82,575,513
Federal Funds Sold and Securities Purchased Under Agreement to Resell	272,333,865
Loans and Discounts	1,139,918,811
Trading Assets	73,117,690
Customers' Liability on Acceptances	14,925,632
Interest and Other Receivables	82,828,321
Premises and Equipment, Net	44,905,398
Other Assets	15,400,292
	\$2,178,092,998

LIABILITIES	
Deposits	\$1,756,287,027
Federal Funds Purchased and Securities Sold Under Agreement to Repurchase	38,320,000
Trading Liabilities	78,662,633
Acceptances: Less Amount in Portfolio	14,925,632
Accrued Expenses	48,274,109
Other Liabilities	49,823,578
Capital	\$ 80,000,000
Surplus	130,000,000
	\$2,178,092,998

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WORLD ROUNDUP

Arsenal Pursues Wembley Matches

SOCCER Arsenal, the English champion, has asked English soccer authorities if it can play its European Champions League games at Wembley Stadium in northwest London, the club said Monday. The club is based at Highbury in northeast London, which has a capacity of 35,000. Wembley can hold 70,000.

Last season, Arsenal sought permission to move all its games to Wembley but was turned down by the English Football Association.

UEFA, the governing body of European soccer, supported the plan. "We are backing the move because it means more genuine fans will be able to see Arsenal in Europe," said Fritz Ahlstrom, a UEFA spokesman. (AP, Reuters)

The Hosts With the Least

SOCCER Three British companies went into liquidation Monday after being unable to deliver World Cup tickets to customers.

The corporate hospitality companies, with debts exceeding £5 million (\$8.22 million), collapsed when a supplier failed to deliver tickets that had been ordered and paid for.

The Mall Corporate Events, International Championship Management and Champion Cup Hospitality said they had sought tickets on the black market to honor commitments but found tickets scarce and expensive.

The companies all used Great Portland Entertainment as their main supplier, but it also failed to provide tickets ordered by thousands of England and Scotland fans. Great Portland Entertainment directors go before the English High Court on Wednesday.

An English fan was sentenced to two months in jail in Marseille on Monday for throwing rocks at police before England's World Cup match against Tunisia in June.

Garry Wyatt, a 30-year-old carpenter from northeast England, was arrested June 14 after attacking the plainclothes officers. (AP)

Graf Overcomes Coetzer

TENNIS Steffi Graf continued her comeback Sunday, beating Amanda Coetzer, 6-3, 6-3, in the final of the A&P Classic in Mahwah, New Jersey. (Reuters)

Funk's Nerve Holds

GOLF Fred Funk made four birdies down the stretch Sunday to win the Deposit Guaranty Classic in Madison, Mississippi. Funk had a 4-under-par 68 final round to finish at 270. Franklin Langham blew a four-stroke lead on the back nine. He shot a 68 to finish at 272, tied with Paul Goydos and Tim Lounstolot. (AP)

O'Meara Learns Winning Ways

Tiger Woods Helped to Motivate Him, British Open Champion Says

By Christopher Clarey
International Herald Tribune

SOUTHPORT, England — When Tiger Woods decided to move into a condominium in Orlando, Florida, in 1996, he and his advisers were not only choosing a good neighborhood. They were choosing a good neighbor: Mark O'Meara, a level-headed, good-natured professional who, Woods' advisers hoped, would become something of a mentor to golf's latest prodigy.

O'Meara has become that and more, developing a close and communicative friendship with Woods who is 19 years his junior and the world's top-ranked player. But as O'Meara thrust both arms triumphantly skyward on the 18th green at the British Open on Sunday evening, it was suddenly difficult to decide which friend had benefited the most from the connection.

Until this year's Masters, O'Meara had played in 36 major championships without winning one. But in April at Augusta National, amid the dogwoods and the memories, he birdied the final two holes, holing a 20-foot putt on 18 to put a dramatic end to that streak.

Three months later, on a Royal Birkdale course without trees and frequently without mercy, the 41-year-old O'Meara again made excellent use of his putter down the stretch, beating Brian Watts, an American who usually works in Japan, in a four-hole playoff.

"If I could put my finger on it, I would have done it earlier in my career," O'Meara said of his victories. "It's just not that easy, I think that it's maturity and time and just a little bit of patience."

But surely it cannot be a coincidence that the man who for the last two years

has dined Woods and frequently practiced with Woods is playing the finest golf under pressure in the world.

"Tiger has helped me," O'Meara said. "At times, I realize that I look at Tiger's talent and his technique and his swing, and I think he's a better player than I am. That motivates."

There is something reassuring about watching O'Meara have a career year.

BRITISH OPEN

instead of a crisis in midlife. O'Meara does not exude power or athleticism. With his graying sideburns, round face and rounded torso, he is an everyman who happens to possess a talent for a game that is as much a craft as a sport.

That talent has made him much wealthier than most craftsmen, but has not made him many enemies.

"A class act," said Watts.

Most people in golf share that view, which is why what happened to O'Meara after his victory at the Lancome Trophy in France last September was so troubling to him. This spring, a package arrived at O'Meara's home sent to him by the manager of Lancome runner-up Jarmo Sandelin of Sweden. It contained a videotape that showed O'Meara incorrectly replacing his ball on the 15th green in the final round, gaining a fraction of an inch on a short putt.

Sandelin wanted O'Meara to return the trophy, but though O'Meara agreed after viewing the tape that he could have replaced his ball more accurately, he insisted his error was unintentional.

O'Meara kept his trophy, and in the third round Saturday with a more important one at stake, O'Meara had an opportunity to confirm that he is a

sportsman as well as a shotmaker. On the 6th hole, his second shot had drifted into the right rough, and when he arrived to look for it, a number of spectators were searching and stamping down the tall grass in the process. They found nothing, and O'Meara walked back up the fairway to replay his shot before the five-minute time limit expired.

Before it did, someone found his ball, but he was too far away by now to retrace his steps and identify it in time. A lost ball would have cost O'Meara at least a stroke; playing from a horrible lie could have cost him more. But David Rickman, the tournament rules secretary, said that O'Meara's reaction was exemplary. "Tell me what to do, and I'll do it." In the end O'Meara was not penalized. He dropped his ball and salvaged a bogey, and though it would be misleading to say that this escape won him the Open, it certainly improved his chances.

"I think that any player who wins a tournament realizes that good luck has been on their side that week," O'Meara said Sunday. "Fortunately for me, I had a bounce on six."

After watching him wait 18 seasons to win a major, it is difficult to begrudge O'Meara the bounces that have helped him win two.

Before the final round began, Jesper Parnevik, a younger man from Sweden who has yet to break through, asked O'Meara, "Does it get any easier now? Do you feel different than when you were off at Augusta on Sunday?"

O'Meara told Parnevik he was just as nervous this time. It rarely showed, and as at Augusta, the only round O'Meara finished atop the leader board was the last one.

In modern golf, where the rewards are ever higher and the media pack ever



Mark O'Meara, the British Open champion, with his son Shaun.

denser, that is the least stressful way to get one's hands on the hardware, and O'Meara is already intimately acquainted with that trophy. In 1991, after Ian Baker-Finch of Australia beat O'Meara, among others, to win the last Open at Royal Birkdale, he invited his American

friend to his house to sip from the cups. "This year, it is O'Meara's turn to issue invitations, and he already has a guest list: 'If Tiger wants a sip out of it, he's more than welcome,'" O'Meara said, "because I imagine his name will be on it some day, too."

His Eyes on Distant Peaks, Julich Stays Cool as Tour Heats Up

By Samuel Abt
International Herald Tribune

PAU, France — That wasn't Bobby Julich whom the Cofidis team sent ahead to protect its interests when a handful of low-ranked riders went on a long breakaway Monday for the second successive day in the Tour de France. Joining breakaways like that is the work of a domestique, a servant in French, and Julich is anything but that.

After his 17th-place finish in the last Tour, his fourth place in the prologue in Dublin and his third place in the individual time trial on Saturday, this is the new, improved Bobby Julich. His domestique days are over because he ranks as a co-leader of the Cofidis team, based in France.

He is careful to be polite about his role: "I expect to be strong enough to support Francesco Casagrande," the nominal team leader, "in the mountains and to finish better than I did last year."

But now that he is in seventh place just before the mountains, where he is expected to shine, his goals are bigger.

"This is only my second Tour and I'm still learning," he said Monday before the start of the ninth daily stage, 210 steamy kilometers (130 steamy miles) from charming Montauban to hospitable Pau, the doorstep to the Pyrenees.

"Learning is all that matters," the 26-year-old from Colorado said. "I may not win the Tour de France this year but I hope to win it in the future. You put these experiences in the bank and learn from them."

Julich protected his position by crossing the line 31st Monday in the same time as all the other major contenders. Less fortunate was another American who had been in the top 10. Tyler Hamilton of the U.S. Postal Service team suffered a heatstroke and dehydration as the temperature reached 40 degrees Celsius (104 degrees Fahrenheit) and lost 18 minutes 18 seconds.

"We thought he was gone, would have to drop out," said a teammate, Marty Jermison. Hamilton fell to 160th among the 168 riders remaining of the 189 who started the Tour July 11.

The winner after a 170-kilometer

breakaway was Leon van Booy, a Dutchman with Rabobank, who beat Jens Voigt, a German with Gan, by half a wheel in 5 hours 21 minutes 10 seconds, a speed of 39 kilometers an hour.

Third was Massimiliano Lelli, an Italian with Cofidis, the domestique who sped across to the breakaway and

TOUR DE FRANCE

stayed with it in case it gained so much time that it took the yellow jersey away from Laurent Desbiers of Cofidis. In that case, the team would have another rider at or near the top.

Despite the heroic efforts of Voigt, the main pack finished just 12 seconds behind. The breakaway's lead topped out at 4 minutes and change.

Voigt, who began the original acceleration, did most of the work over the rolling course, frequently dousing his head with water bottles passed to him by fans. He started the final sprint about 200 meters from the line but could not quite hold off van Booy, who passed the finish with his arms uplifted while the German

was slumped, shouting in frustration.

Desbiers retained the yellow jersey by 14 seconds over Andrea Tafi, an Italian with Mapei, who twice tried to speed away and gain that precious time. He failed. Third overall is Jacky Durand, a Frenchman with Casino, 43 seconds behind. They all should disappear early in the Pyrenees.

Julich knew Monday morning that if a multirider breakaway occurred, he was not expected to chase it.

"That's not my job today," he said. "My job is tomorrow." The riders, minus the Italian sprinter Mario Cipollini, who dropped out Monday, face four big climbs on Tuesday and four more on Wednesday.

"I'm looking forward to the mountains," Julich said. "Last year I was scared of them." He lost 22 minutes last year in the first day of climbing in the Pyrenees but came back strongly, especially in the Alps.

"The memories that I have of the last week in the last Tour are fantastic and those are mainly in the mountains. That's what I want to feel again."

"Last year it was a question of morale," he said. "I was very nervous last year in the first two weeks but this year from the start I've felt very relaxed and very motivated."

"The time trial did a lot for my confidence. The prologue did a lot for my confidence. Phase One is complete. I had a good prologue, stayed out of trouble in the crashes and had a good time trial. I'm happy. A mission accomplished."

"The Pyrenees aren't quite my style. I like more the Alps. But I'm ready." Many riders are jolted when the race ends its traditional first week on the flat and starts uphill. Many observers, in fact, expect Jan Ullrich, the defending champion, to have trouble Tuesday because weight problems limited his training and racing during the spring.

"You've got to be strong right away," Julich said. "This year I've pushed myself a little bit more on the smaller climbs, tested myself in the time trial and worked harder in some of the bonus sprints."

"The object was to get ready for the mountains. This year I'm ready for them, I think. I hope."

When Iroquois Play Lacrosse, It's for Heritage and 'the Creator'

By Chris Swezey
Washington Post Service

WASHINGTON — They practice at the edge of a camp, on a large field without goals or field markings at the edge of a forest. Seeing the Iroquois Nation's lacrosse team work on passing and ground balls in the bucolic setting at Johns Hopkins University in Baltimore must be reminiscent of how the Indian tribe, one of the game's inventors, played it centuries ago, using trees for goal posts on fields without boundaries.

"The Iroquois called the game 'te-wa-rah-ton,' meaning 'little brother of war,'" Peter Lund wrote in "The History of the Game of Lacrosse: From the American Indians to the Present." Lund said the Indians used the sport "to keep their warriors in shape, to settle disputes between tribes and as a spiritual exercise to amuse and please 'the

Creator,' believed to be the godlike figure Deganawidah who, according to Iroquois legend, united the Six Nations of the Iroquois."

The six nations — the Oneida, Onondaga, Cayuga, Seneca, Mohawk and Tuscarora — reside mostly in upstate New York and Canada and are taught the spiritual importance of lacrosse from the first time a player picks up a stick.

Tony Gray, the Iroquois captain who grew up on a Mohawk reservation in upstate New York and coaches a high school lacrosse team in Arlington, Virginia, said he learned the game's spiritual importance from age 4, when he began playing.

"It was a 'medicine ball' game," Gray said. "We play when someone in the tribe is ill or having personal problems. The medicine man sews spears and medicine, which will help the person, inside a leather ball. We play be-

cause we believe it will please the Creator, and he will then help the sick person."

Gewas Schindler, an Oneida tribe member and an attackman for the Iroquois, said he felt a special kinship to lacrosse. "The game is part of our heritage," he said.

The ties between Native Americans and lacrosse are well-known. But for more than 100 years the Iroquois were barred from participating in international competition or joining the International Lacrosse Federation, founded in 1974, because their lacrosse leagues were considered professional.

In 1989, a group led by Oren Lyons, an Onondaga tribe and Lacrosse Hall of Fame member, petitioned the federation to be allowed to play in international events. They stressed to the federation how much the game meant to them spiritually and historically, and they were allowed to join in time for the

1990 World Games in Perth, Australia.

"It means a lot to have people stand in respect of our anthem and have our nation's flag flying at the World Games," said Lyons' son, Rex, 36, an attackman on the team. "When we finally got in, it was a great privilege. It's a political statement when we are able to play alongside other countries."

THE IROQUOIS say the requirements to play for their team are tougher than for other countries, mostly because tribal chiefs can dismiss players from the team for any number of reasons.

"The team is regarded as a role model on the reservations," Schindler said. "Everyone on the team has to be a good person and be interested in representing the Iroquois well or else the chiefs will not let them play."

The Iroquois have used some of the

federation's rules to their advantage.

The federation allows players to use both traditional field-lacrosse sticks — with a head width of 6.5 inches (16.5 centimeters), the same as mandated by the National Collegiate Athletic Association — or box-lacrosse sticks, with a head width of four inches.

In the team's 10-9 victory over England last Friday, Lyons scored the game-winning goal using a box-lacrosse stick. Lyons, who leads the team with 11 goals in four games, said he uses that stick because it's hard for defensemen to check away the ball.

The Iroquois have three losses in the tournament — 13-9 to Australia, 23-8 to Canada and 20-8 to the United States — but the players said they were not concerned. "We play to please the Creator, so there is no pressure on us to win or lose," Gray said. "Actually all the teams here are playing for the Creator as well — they just don't know it."



Gewas Schindler taking a breather.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE			
EAST DIVISION			
New York	W	L	Pct.
Boston	49	54	.479
Toronto	50	53	.486
Baltimore	48	51	.485
Tampa Bay	36	61	.371
CENTRAL DIVISION			
Cleveland	54	42	.563
Minnesota	44	53	.454
Kansas City	43	54	.443
Chicago	41	55	.429
Detroit	41	54	.432
NATIONAL LEAGUE			
EAST DIVISION			
Atlanta	W	L	Pct.
New York	49	53	.481
Philadelphia	49	54	.479
Marlins	39	58	.402
Florida	37	60	.379
CENTRAL DIVISION			
St. Louis	58	39	.598
Chicago	53	44	.546
Minnesota	48	49	.490
St. Louis	45	52	.463
Pittsburgh	45	53	.459
WEST DIVISION			
San Diego	54	34	.613
San Francisco	51	35	.591
Los Angeles	47	41	.531
Arizona	35	62	.356

SOCCER

WORLD RANKINGS

1. Brazil	2. France	3. Italy	4. Argentina
5. Spain	6. Germany	7. Netherlands	8. Belgium
9. England	10. Mexico	11. United States	12. Colombia
13. Costa Rica	14. Ecuador	15. Honduras	16. Cuba
17. Paraguay	18. Chile	19. Peru	20. Uruguay
21. Venezuela	22. Bolivia	23. Panama	24. El Salvador
25. Guatemala	26. Nicaragua	27. Honduras	28. Cuba
29. Paraguay	30. Chile	31. Peru	32. Uruguay
33. Venezuela	34. Bolivia	35. Panama	36. El Salvador
37. Guatemala	38. Nicaragua	39. Honduras	40. Cuba

CRICKET

DEPOSIT GUARANTY CLASSIC

Final Score: 200-100	Deposits: 100-100
Guarantee: 100-100	Classified: 100-100
Guarantee: 100-100	Classified: 100-100
Guarantee: 100-100	Classified: 100-100
Guarantee: 100-100	Classified: 100-100
Guarantee: 100-100	Classified: 100-100
Guarantee: 100-100	Classified: 100-100
Guarantee: 100-100	Classified: 100-100
Guarantee: 100-100	Classified: 100-100
Guarantee: 100-100	Classified: 100-100

GOLF

TOUR DE FRANCE

1. Jan Ullrich	2. Laurent Desbiers	3. Jacky Durand
4. Bobby Julich	5. Tyler Hamilton	6. Tony Gray
7. Bobby Julich	8. Tyler Hamilton	9. Tony Gray
10. Bobby Julich	11. Tyler Hamilton	12. Tony Gray
13. Bobby Julich	14. Tyler Hamilton	15. Tony Gray
16. Bobby Julich	17. Tyler Hamilton	18. Tony Gray
19. Bobby Julich	20. Tyler Hamilton	21. Tony Gray
22. Bobby Julich	23. Tyler Hamilton	24. Tony Gray
25. Bobby Julich	26. Tyler Hamilton	27. Tony Gray
28. Bobby Julich	29. Tyler Hamilton	30. Tony Gray
31. Bobby Julich	32. Tyler Hamilton	33. Tony Gray
34. Bobby Julich	35. Tyler Hamilton	36. Tony Gray
37. Bobby Julich	38. Tyler Hamilton	39. Tony Gray
40. Bobby Julich	41. Tyler Hamilton	42. Tony Gray
43. Bobby Julich	44. Tyler Hamilton	45. Tony Gray
46. Bobby Julich	47. Tyler Hamilton	48. Tony Gray
49. Bobby Julich	50. Tyler Hamilton	51. Tony Gray
52. Bobby Julich	53. Tyler Hamilton	54. Tony Gray
55. Bobby Julich	56. Tyler Hamilton	57. Tony Gray
58. Bobby Julich	59. Tyler Hamilton	60. Tony Gray
61. Bobby Julich	62. Tyler Hamilton	63. Tony Gray
64. Bobby Julich	65. Tyler Hamilton	66. Tony Gray
67. Bobby Julich	68. Tyler Hamilton	69. Tony Gray
70. Bobby Julich	71. Tyler Hamilton	72. Tony Gray
73. Bobby Julich	74. Tyler Hamilton	75. Tony Gray
76. Bobby Julich	77. Tyler Hamilton	78. Tony Gray
79. Bobby Julich	80. Tyler Hamilton	81. Tony Gray
82. Bobby Julich	83. Tyler Hamilton	84. Tony Gray
85. Bobby Julich	86. Tyler Hamilton	87. Tony Gray
88. Bobby Julich	89. Tyler Hamilton	90. Tony Gray
91. Bobby Julich	92. Tyler Hamilton	93. Tony Gray
94. Bobby Julich	95. Tyler Hamilton	96. Tony Gray
97. Bobby Julich	98. Tyler Hamilton	99. Tony Gray
100. Bobby Julich	101. Tyler Hamilton	102. Tony Gray

WORLD RANKINGS

WORLD RANKINGS

1. Brazil	2. France	3. Italy	4. Argentina
5. Spain	6. Germany	7. Netherlands	8. Belgium
9. England	10. Mexico	11. United States	12. Colombia
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21. Venezuela	22. Bolivia	23. Panama	24. El Salvador
25. Guatemala	26. Nicaragua	27. Honduras	28. Cuba
29. Paraguay	30. Chile	31. Peru	32. Uruguay
33. Venezuela	34. Bolivia	35. Panama	36. El Salvador
37. Guatemala	38. Nicaragua	39. Honduras	40. Cuba

TENNIS

WORLD RANKINGS

1. Andre Agassi	2. Pete Dinklage	3. Andre Agassi
4. Pete Dinklage	5. Andre Agassi	6. Pete Dinklage

ART BUCHWALD

The Night Watchman

WASHINGTON — The Starr Chamber continues. Just when you thought it was safe to go into the water, the special prosecutor bites your leg off.

The latest leak by CBS News is that Ken Starr intends to question Secret Service people on Clinton's sleeping habits in the White House. Starr wants to know how Clinton knew he was asleep and when he knew it.

I will now take you to the grand jury room where Jack Conner, a Secret Service man, is being questioned.

"Mr. Conner, where are you stationed in the White House?"

"Under Mr. Clinton's bed."

"All night?"

"Yes, until he gets up in the morning. My job is to see that nothing happens to the president when he has his eyes closed."

"Do you also watch Hillary

Clinton when she is in bed?"

"No, a Secret Service woman is assigned to watching her."

"And this agent is also under the bed?"

"Yes. It sounds a bit crowded, but that's what we're paid for."

"Does the president talk in his sleep?"

"He does sometimes. He says things out loud such as, 'Loog live the people of China in the Year of the Rat' and 'Republicans suck eggs.'"

"Has he ever talked about Monica Lewinsky?"

"I don't believe that name has ever come up on my watch."

"Did Mrs. Clinton ever bring it up?"

"You'll have to ask her Secret Service woman."

□

"Does the president sleep in pajamas or without sleepwear of any kind?"

"Why do I have to answer that?"

"Because we have to get to the bottom of Whitewater, and we'll never be able to do it unless we find out what Clinton wears at night."

"He sleeps in pajamas."

"Don't you find this weird?"

"When you're a Secret Service person nothing is weird anymore."

"Mr. Conner, does the president ever walk in his sleep?"

"Not to my knowledge."

"Well, this is hypothetical. Suppose he did. What would you do?"

"I would follow him."

"If he committed a high crime or a misdemeanor while walking in his sleep, would you report it to the special prosecutor?"

"That's what we're paid for."

Diana's Silver Car For Sale on the Net

The Associated Press

LONDON — The small, silver car given to Diana, Princess of Wales, by Prince Charles as an engagement present is for sale via the Internet, and the owner says he has turned down an offer of more than \$1 million.

Keith Lawson, an antique clock dealer from Scraby, England, bought the 1981 Ford Escort Ghia three years ago for £6,000. But the car's value has rocketed, and he can no longer insure it.

Rap With Good Taste, Beastie-Boy Flavored

By Neil Strauss
New York Times Service

NEW YORK — There is a term in hip-hop, flavor. It is a good thing. Rappers want to have flavor: panache, style, something extra that enables them to stand out from the pack.

In their 17 years together, however, the Beastie Boys have developed something much better than flavor: taste. This is not a hip-hop term. It is the key to survival in the mercurial world of pop.

Musicians like David Bowie, Peter Dinklage and David Byrne have good taste; as most of their colleagues have fossilized, it has enabled them to remain relevant, even after their hit-making days ended.

The Beastie Boys are listeners as much as they are musicians, so any music they make is going to be interesting. This has enabled them to survive commercially while every rap act from their era has fallen by the wayside.

That is, if one could still consider the Beastie Boys rap, because they've blown what little currency they did have in the hip-hop world by following their broader instincts instead of the rap mainstream.

The band's previous two albums were a collection of hard-core punk songs and an album of lighter instrumental music; its new record jams 22 tracks with eight singers into 68 minutes.

This is not the output of a group that sets out to make the perfect pop record like "Pet Sounds." "Sgt. Pepper" or even "It Takes a Nation of Millions" (the rap classic by Public Enemy). This is the work of a band that aims to show how much it can do.

"Hello Nasty" jumps from rap to easy listening to Latin to noise to soul to opera to rock without pausing for breath. As the band boasts in "Intergalactic," "I'm so versatile."

The Beastie Boys are emblematic of a new breed of artists who have emerged over the past decade, the collector-musicians. Where



From left, Adam Yauch, Adam Horowitz and Mike Diamond are listeners as well as musicians.

postmodern musicians slap different styles together nonconformistally, as if they were all equivalent colors in the sonic palette, collector-musicians weld different sounds together with commitment and bias.

Their songs are more tributes than statements. For example, the eccentric doo-reggae pioneer Lee "Scratch" Perry appears on "Hello Nasty," not to make the album better, more commercial or more musical, but simply because the band likes him and wants to collect his voice like an audio autograph. It's not that collector-musicians (they also include Beck, the Dust Brothers, Stereolab and Cornelius) are fans more than artists. It's that being a fan is part of their art.

From their first full hip-hop album, "Licensed to Ill" in 1986, the Beastie Boys set themselves up as observers and emulators of rap culture, privileged white boys looking in from the outside, as they did as

teenagers in the years leading up to the record, running around Manhattan clubs where punk, new wave and rap were mingling.

Since then, the Beastie Boys have transformed themselves from a band to an enterprise. Like Gabriel's Real World label or Byrne's Luaka Bop, the Beastie Boys developed Grand Royal, a record label and a magazine (plus a clothing company called X-Large) predicated on the notion that the Beastie Boys have good taste.

Another key to their survival is their ability to spot talented musicians and use them on their albums, whether it's the Dust Brothers' producing "Paul's Boutique" nine years ago or the contributions from the turntablist Mixmaster Mike and the keyboardist Money Mark on "Hello Nasty."

As music buffs, the Beastie Boys are also able to listen to current rap and rock and siphon off the elements that make them interesting,

as evident in the snatches of violin and sped-up female voices on the new album, both tricks borrowed from the Wu-Tang producer known as RZA.

"Hello Nasty" sounds like a night with disk jockey who has a short attention span: Samples of everything from Stravinsky to Tito Puente to earlier Beasties albums abound. Hip-hop beats are mixed into Latin music. Songs skid to a halt as the sound of a needle scratching across a record interrupts. All kinds of turntable tricks — sirens, horns, electronic gurgles and sound effects — are mixed on top of the busy songs, as the band raps lines like, "Remote control, change the station."

It is the curse of the collector-musician: knowing too much and wanting to do it all.

The most often cited dilemma for the Beastie Boys is that their most popular music has been their

goofiest — tongue-in-cheek frat anthems like "Fight for Your Right (to Party)" and "Girls." They may be too smart to fall these days, but they are also too smart to be a phenomenon again.

Though some place the Beastie Boys in the genre of alternative rock, they behave more like a classic-rock band, especially since the personalities of the three members have been diverging.

Though they tend to rap in unison, it's easy to pick out the three intertwined aesthetics at work. Lines like "Share your love with a friend" come from the member who has discovered spirituality, the aspiring Tibetan Buddhist Adam Yauch.

Phrases like "money makin'" come from the member making the shift into the executive world, Mike Diamond.

And the phrase "Dogs love me cause I'm crazy snifflable" probably comes from the band's secret weapon, the clown and collector Adam Horowitz. Silly-smart lines like the Run-DMC parody "I'm the king of Boggle, there is none higher/I get 11 points off the word quagmire" best fuse all their personalities.

On "Hello Nasty," there is probably something for everyone, but there is probably no one whom everything is for. Popular music is moving past the time when combining two genres is going to create something new. It is more the exposition of a distinct personal taste that is going to result in a new sound.

In other words, something unusual is less likely to arise from a combination of hip-hop and Celtic music (that's flavor) than it is from someone mixing the sound of the Wu-Tang Clan and the Chieftains, along with a few other favorites from a treasure record collection, like, say, Celia Cruz, Willie Nelson and a cocktail-music compilation on Rhino records (this is taste).

Flavor fades, but taste is a lifetime trait. And "Hello Nasty" is a testament to good taste, even if at times it does lack flavor.

PEOPLE



OPEN AIR — Sinéad O'Connor singing at an outdoor concert in Bern.

THE teenage sons of Prince Charles were said to be upset and their father sad after the boys' plans to surprise Charles with a 50th birthday party were torpedoed by a British newspaper. A spokesman for Prince Charles said that the birthday party would go ahead anyway, but that Princes William and Harry were "terribly disappointed" the surprise had leaked out and landed in national headlines. The Sunday Mirror said William, 16, and Harry, 13, would star in a comedy play at the party for Charles, alongside the actors Emma Thompson and Stephen Fry, who wrote the script. William and Harry "had worked very hard to try to pull it off," the royal spokesman said. The spokesman declined to give any details of the party, saying only that it would be held before the family went on vacation in August. Charles's 50th birthday is out until Nov. 14, but presumably the party was planned for earlier as part of the intended surprise.

Former President George Bush

came to relax in the land of the original white houses: gleaming island villages overlooking the Aegean Sea. Bush, the retired general Colin Powell and their families are guests of the Greek billionaire Yiannis Latsis aboard his yacht. The Bushes are close friends of the 87-year-old shipping magnate and often visit Greece as his guests. Shortly after Latsis bids good-bye to Bush and Powell he is expected to host some more famous vacationers: Prince Charles and his two sons, Princes William and Harry.

The Beijing 40 huddle together on their tiny death row at Dulles International Airport near Washington, unaware of high-level negotiations that came tantalizingly close to securing their release. Moved by the plight of innocent Beanie Babies, Senator Dick Durbin, Democrat of Illinois, joined the cause late last week and pleaded for a stay of execution for the 40 doomed toys. They traveled to the shores of democracy in the luggage of the U.S. trade representative, Char-

lene Barshefsky, who bought them in China for her daughters. Her action violated import restrictions on the wildly popular collectibles — Ty Corp. makes them in China but does not permit their sale there. So Barshefsky turned the hapless Beanie Babies over to U.S. Customs officials, who promptly threw the stuffed toys in their lockup. Ty is determined to execute the Beijing 40 because of "questions of their Beanieological descent," Durbin's press secretary said.

James Lovell, the Apollo 13 commander whose book on the doomed space flight formed the basis for the film starring Tom Hanks, was inducted into the National Aviation Hall of Fame in Dayton, Ohio. Lovell, 70, completed four missions as an astronaut, including the first orbit of the moon aboard Apollo 8 and the perilous Apollo 13 moon shot. The flight was aborted because of a malfunction, but the crew returned safely.

Paula Jones's profile is dwindling.

The woman who sued President Bill Clinton for sexual harassment underwent rhinoplasty in Manhattan, the New York Post and the Daily News reported. Jones and her husband, Stephen, were seen leaving the offices of the plastic surgeon Thomas Loeb. The new nose is the latest incarnation for Jones, 31, who appeared with a new hairstyle and wardrobe on Jan. 17, at Clinton's deposition in her lawsuit, which was dismissed. It's unclear who paid for the nose job by Loeb, which can cost up to \$9,000.

A Swedish politician apologized to the film director Ingmar Bergman for an incident involving allegations of tax evasion more than 20 years ago. "We carried out a policy which made certain people feel singled out and persecuted," Sten Andersson, a member of the governing Social Democrats, told Expressen newspaper. Bergman said in an interview aired on his 80th birthday July 14 that he was deeply scarred by his arrest in 1976. No charges were brought against him, but his humiliation led to a nervous breakdown.

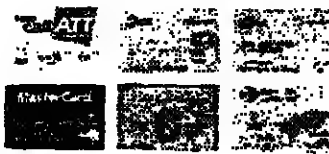


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Egypt (Cairo)	510-0200	Italy	172-1011	Switzerland	0800-99-0011
France	0-800-99-0011	Netherlands	0800-022-9111	United Kingdom	+44 0800-99-0011
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